integrated 2022 report

Emirates Telecommunications Group Company PJSC
2022
At a Glance

Financial Highlights

Revenue¹
(AED billion)

EBITDA²
(AED billion)

EBITDA Margin
(%) (AED billion)

Net Profit
(AED billion)

Net Profit Margin
(%, AED billion)

Dividend Per Share³
(AED)

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

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.

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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

Kantar BrandZ
Most Valuable Emirati Brand

OpenSignal
Maroc Telecom: Best Internet Experience in Morocco

OpenSignal
Ufone: Best 4G Services Provider in Pakistan

IDC MarketScape
e& enterprise: 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

MENA Fintech Association
e& money: Best MENA Wallet

Telecom Review ME
Best Middle East Operator

Kantar BrandZ
Most Valuable Emirati Brand

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.
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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

2000
• e& launches the Middle East’s first 3G network

2003
• e& launches the Middle East’s first 3G network

2004
• e& wins the second license in Saudi Arabia, introducing 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 indices

2016
• e& Group completes the sale of Etisalat’s stakeholding of 52.3% 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
• e& and G42 sign an agreement to create the largest data centre provider in the UAE
• 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 eGrocer
- e& completed the acquisition of eGrocer, 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 GAZ created the largest data centre in the Middle East by coming together under the brand ‘Khazaal’.

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 (AlaaS) to support government and private companies in their digital transformation journey.

July

Rebranding of ‘eWallet’ as ‘e& money’
- e&’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, accessing 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
- e& enterprise completed its 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’.

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 UAECC 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.
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

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

*As of 3 January 2023
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.
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.

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 telecommunications 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.

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

Jassem Mohamed Alzaabi
Chairman

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.

Net profit
AED 10.0 billion

Dividend Per Share
AED 0.8
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 take important 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.
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 enterprises for a brighter digital future.

Despite various global challenges, our domestic and international operations achieved impressive results, reinforcing our leadership position in highly competitive and evolving markets.

We strengthened our operations by 2030 and actively contribute to global climate action. We are also proud to have joined the UAB Independent Climate Change Accelerators (UICCA), the first UAE private sector entity to do so.

We are grateful for their continued support 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.

### Overview

#### 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
**Business Model**

**How We Create Value**

**Our Strengths**

**Financials:**
- Strong balance sheet and cash flow generation
- Disciplined deployment of capital
- Easy access to capital

**Diversified Portfolio:**
- Operations in 16 countries
- Diversified portfolio with mix of maturing high cash flow generating markets and high growth markets

**ESG:**
- Clear ESG strategy with mid & long-term targets aligned to best practice
- Robust data management system

**Brand:**
- Clear brand identity
- Brand architecture in line with our business strategy

**Our People:**
- Diverse workforce with more than 70 nationalities
- Flexible working model including hybrid policy

**Networks:**
- Deployed latest technology (4G/LTE/5G / FTTH)
- Investment in platforms, software, data centers, digital ecosystem etc.

**Value Created for Stakeholders**

**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:**
- 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:**
- Committed to a net zero operation by 2030 in the UAE
- Improved ESG performance and ranking in international indices (MSCI “A” Rating)

**Brand:**
- Most valuable portfolio of telecom brands in MEA *
- Strongest telecom brand in MEA *
- Most valuable Emirati brand **

**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:**
- 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

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* Brand Finance
** Kantar BrandZ
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 top-line 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 sizes, 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 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.

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 set ambitious goals 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 a 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.
### Mandate

**etisalat by e&**
To provide comprehensive telecommunication services and solutions integrated with a growing portfolio of digital services for consumers, businesses and government entities in the UAE.

**e& international**
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.

**e& life**
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.

**e& enterprise**
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

**etisalat by e&**
- 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

**e& international**
- 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& life**
- 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

**e& enterprise**
- 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

**etisalat by e&**
- Core revenue growth
- Digital revenue contribution
- Customer experience enhancement

**e& international**
- Organic revenue growth
- Percentage contribution to Group revenues
- Digital revenue contribution
- Value of revenue and cost synergies extracted

**e& life**
- Revenue growth
- Improving profitability margins
- Expanding number of customers

**e& enterprise**
- Revenue growth
- Revenue contribution outside the UAE

### 2022 Key Achievements

**etisalat by e&**
- 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

**e& international**
- Strong year-on-year organic growth in local currency
- Market-leading customer satisfaction in key markets
- Increase in digital services penetration

**e& life**
- 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**
- 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

**etisalat by e&**
- 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

**e& international**
- Continue to grow core telecommunication business organically
- Diversify through geographic expansion
- Launch of new digital revenue streams

**e& life**
- 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

**e& enterprise**
- 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

**etisalat by e&**
- Uncertain global macroeconomic and geopolitical situation
- High inflation negatively impacting customer spend
- Intensified competition across all lines of business

**e& international**
- Macroeconomic risk (currency depreciation, inflation)
- Geo-political risk impacting organic and inorganic growth
- Regulatory risk impacting growth and profitability

**e& life**
- Unfavourable macroeconomic conditions impacting consumer spending and organic/inorganic growth
- Regulatory risks leading to delay in targeted launch of new products and acquisitions.

**e& enterprise**
- 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.
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 demand for fibre 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, subscriber 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 FTTx 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

<table>
<thead>
<tr>
<th>Populations</th>
<th>Mobile Subscribers</th>
<th>Real GDP Growth</th>
<th>GDP Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.8 million</td>
<td>19.3 million</td>
<td>4.2%</td>
<td>48,300 USD</td>
</tr>
<tr>
<td>36.9 million</td>
<td>42.7 million</td>
<td>3.7%</td>
<td>27,000 USD</td>
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<tr>
<td>106.2 million</td>
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</tr>
<tr>
<td>37.0 million</td>
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<td>3.1%</td>
<td>1,700 USD</td>
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<tr>
<td>231.6 million</td>
<td>194.5 million</td>
<td>3.5%</td>
<td>4,100 USD</td>
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<tr>
<td>270,000 USD</td>
<td>101%</td>
<td>81%</td>
<td>105%</td>
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<tr>
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Egypt by the numbers

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Statistical data are based on latest estimates; Real GDP growth rates are 2023 estimates.
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 74% 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 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 79%.

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 31.2 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 stakeholding in the Vodafone Group, becoming its largest shareholder. The net debt of AED 15.1 billion (2021: AED 23.8 billion), translated into 0.58 times net debt to EBITDA multiple.

Our current borrowings currency mix is relatively stable with 62% held in US$ and 38% 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.

EBITDA margin 50%
Net debt to EBITDA 0.58x

Financial highlights from operating divisions

All our companies showed pleasing growth in local currency terms, driven 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 on year by 6% due to positive contributions from data and outbound roaming. Similarly, we grew fixed and data revenue in several markets.

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 Benis
Chief Financial Officer
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-accruing 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

<table>
<thead>
<tr>
<th></th>
<th>2021 AED million</th>
<th>2022 AED million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>53,342</td>
<td>52,434</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26,721</td>
<td>26,202</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Federal Royalty</td>
<td>(5,542)</td>
<td>(5,771)</td>
</tr>
<tr>
<td>Net Profit</td>
<td>9,317</td>
<td>10,007</td>
</tr>
<tr>
<td>Net Profit Margin</td>
<td>17%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Balance Sheet Summary

<table>
<thead>
<tr>
<th></th>
<th>2021 AED million</th>
<th>2022 AED million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Bank Balances</td>
<td>28,575</td>
<td>32,839</td>
</tr>
<tr>
<td>Total Assets</td>
<td>128,197</td>
<td>145,085</td>
</tr>
<tr>
<td>Total Debt</td>
<td>25,732</td>
<td>47,954</td>
</tr>
<tr>
<td>Net Cash/ (Debit)</td>
<td>2,843</td>
<td>(15,115)</td>
</tr>
<tr>
<td>Total Equity</td>
<td>57,564</td>
<td>49,999</td>
</tr>
</tbody>
</table>

### Cash Flow Summary

<table>
<thead>
<tr>
<th></th>
<th>2021 AED million</th>
<th>2022 AED million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>16,111</td>
<td>19,135</td>
</tr>
<tr>
<td>Investing</td>
<td>(8,779)</td>
<td>27,269</td>
</tr>
<tr>
<td>Financing</td>
<td>(13,096)</td>
<td>13,621</td>
</tr>
<tr>
<td>Net Change in cash</td>
<td>(3,753)</td>
<td>5,486</td>
</tr>
<tr>
<td>Effect of FX rate changes</td>
<td>1,039</td>
<td>(1,023)</td>
</tr>
<tr>
<td>Others</td>
<td>(54)</td>
<td>(219)</td>
</tr>
<tr>
<td>Ending cash balances</td>
<td>20,575</td>
<td>32,839</td>
</tr>
</tbody>
</table>
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 doorstep 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 (OCOs). Engagement with the local ERMC 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 revised and evolved it to ensure it remains relevant to support the ever-changing business needs.
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 through various engagement points, including through reporting to ERMICs.
- 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 strengthen the link between residual exposures and 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 through various engagement points, including through reporting to ERMICs.
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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. Higher 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.

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 service, which can significantly impact the Group's network. | 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 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.
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. | In 2022, the Group launched a task force to perform a gap assessment to the new law and develop the necessary realignment in our internal processes to ensure full compliance.
Litigation risk | As with any other organisation, the Group is subject to the risk of litigation by competitors, customers, regulators and other parties. | The implementation of the policy is enabled by the adoption of a holistic and comprehensive manner.
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. | 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.

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-paying contracts and complementing those contracts with additional value-added 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 form key 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.

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.

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 transitioning 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, behaviours 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 performance. The impact of this shift will be manifold 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.

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.

To stay true to this transformational stage, the values of e& will also transition to a new set of values, behaviours 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.

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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.

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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 15% of our employees being from Gen Z.

Emiratisation (FTE) 49% 51% 52%
2020 2021 2022

Gen Z (FTE) 0.4% 3% 5%
2020 2021 2022

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.

Gender Diversity (FTE) 22% 24% 25%
2020 2021 2022

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 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.

We continued our focus on upskilling our employees with our online learning platform, which we rolled out to our international operations in Afghanistan, PTCL and Etisalat by e&, Egypt.

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

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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 technology, 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 specialists 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, Khosht 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 Mohammad 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 Armwa El Ghat, the Kheir Award for the ‘Most Impactful Project of the Year’ for its Momken Project by Misr El Kheir Foundation and ‘Most Impactful Project of the Year’ for its Morokon Project by Mst 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. PTCL and Ufone commit to furthering Pakistan’s pledge to reduce its carbon footprint for a greener and sustainable future. PTCL’s Razakser (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& Egypt launched a digital version of the main copy of Ramadan 2022 ad, of Graduate Studies for Children, Ain Shams University and By-Pass Foundation (MEK), Child Health and Disabilities Centre at the Faculty of Medicine, University of Alexandria.

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. PTCL signed agreements with PTCL and other telecommunication companies at its own event, ‘Connected Pakistan: Accelerating Gender Inclusion in ICTs. Shaping Digital Futures.’

Following Utone’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 Utone 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 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.

In terms of inclusivity, the Foundation teamed up with Mifir Elkhier Foundation (MEF), Child Health and Disabilities Centre at the Faculty of Graduate Studies for Children, An Shams University and By-Pass for its Mission 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, ‘#BreakingTheHabias’, both men and women from PTCL and Utone pledged to help create a diverse and inclusive workplace by helping end gender stereotypes and bias against women at work and in society.
03

Operating Review

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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. Telecoms 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& 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

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<tr>
<th>Grow Core Revenue</th>
<th>Increase Digital Revenue Contribution</th>
<th>Create Additional Value for Carved out Entities</th>
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<tr>
<td>To be the Best CX Provider in UAE</td>
<td>Best Tech Employer of Choice in Middle East</td>
<td>Generate Higher Cumulative FCF</td>
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Strategic Pathways

<table>
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<th>Grow Share of Wallet in Core &amp; Beyond</th>
<th>Scale and Monetise</th>
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<tr>
<td>Excel in World-Class CX Delivery</td>
<td>New Growth Engines</td>
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<td>Transform into an AI and Data Driven Organisation</td>
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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:

1. Grow Share of Wallet in Core & Beyond
2. Scale and Monetise New Growth Engines
3. Excel in World Class Customer Experience Delivery
4. Transform into an AI & Data-Driven Organisation

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 upside 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/ building requested 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 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 unmatchable 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 service 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. Smiles user can now order groceries online due to the integration with Elixir through a “shop-in-shop” concept, and order food from a growing digital services that combines the optimum mix of organic and systematic inorganic moves.

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 etisalat 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 full 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 fulfillment of transport links from 3 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 fulfillment 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 the 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 4.7 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 70 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 digital 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.

etisalat by e& also expanded the SaaS Market Place, which is designed specifically for the SMB mass market, etisalat by e& also expanded the SaaS Market Place, which is designed specifically for the SMB mass market.
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

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.

Expand Internationally

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.

Accelerate Digital Services

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.

Drive Scale Synergies

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 AIX (a leading multinational financial 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.
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 homes 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 rollout. 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 enhancements 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).

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 (27%+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.

Ethad 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 Korea’. 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. Morocco 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 resonate 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 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 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 elite TV, Switch TV, Mtv TV, MobiTV 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.

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:

- STARZPLAY arabic
- STARZPLAY HD
- STARZPLAY sports
- STARZPLAY kids

Evision also significantly strengthened its content mix by strengthening its sports content portfolio this year. It 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.
The growth rate of over 270%.

International Money Transfer Transactions (thousands)

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 restated, 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& life, 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, 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 transactions since it was launched in April totaling 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 and more. In line with open banking, customers are able to add more funds to their existing e& money accounts and also helped e& money to achieve 4.7 (iOS) and 4.4 (Google Play Store) app store rating in December.

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

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& life’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.
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

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.
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 (IoT) 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.

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 FutureNow Calls through 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.

**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 (CCloud). 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.
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.

AED 250 million VC fund announced during GITEX Global 2022

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.
Board of Directors

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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 Abdul Qassim Al Qassim
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Chairman of Risk Committee
Member of Investment and Finance Committee

Mansoor Ibrahim Ahmed Al Mansoori
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Abdelmonem Bin Eisa Bin Nasser Alserkal
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Member of Investment and Finance Committee

Khalid Abdulwahid Hassan Alrustomani
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&

Dr. 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 startup 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, Mobyli, 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&

Mr. 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 Tractel Mors 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 CarmaudMetalbox). Mr. Bennis is a Board member and Audit Committee member of Maroc Telecom Group, and an Audit and Risk Committee member of Mobyli, 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 Ecole 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 member of Etisalat Services Holding. He 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.

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 2013, 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 2019. 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 Afghanistan.

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 2013 to 2015, 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 Elthad 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 Vodafone as well as its Group Chief Commercial and Strategy Officer. Prior to this, he was the Chief Commercial Officer at MTN 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 including ACENS Technologies and Conexxo. Mr. Gerchuk 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 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 A. j. 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 Electrical Engineering from the University of Kentucky, USA.

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 Entreprises 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 Fahd 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.
Overview  l  Strategic Report  l  Operating Review  l  Governance  l  Financial Statements

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 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 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 contacting 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 adherence 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 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 OpCos’ 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.
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 quantum of its meetings’ convention and decision-making mechanisms.

The Nominations and Remunerations Committee is comprised 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 has invested in 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 therein. 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

The Group is fully committed to promoting and supporting 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 behavior 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

Compliance culture 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, we strive 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.

At e&, the 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 assists in training 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 Patton 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.
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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 such), 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 the 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
Our procedures included, amongst others, those described below.

- We assessed the adequacy of disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.
- We tested the allocation of indirect costs on non-regulated operations based on the relative cost of providing services.
- We assessed the reasonableness of the Board’s approved cash flow projections and the methodology used in their determination.
- We inspected the correspondence between the Group and the MoF with regards 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.

How the matter was addressed in our audit

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

Federal royalty

Our procedures included, amongst others, those described below.

- We determined the tax charge for the year.
- We conducted sensitivity analyses around the key inputs.
- We assessed the reasonableness of the Board’s approved cash flow projections and the methodology used in their determination.
- We inspected the correspondence between the Group and the MoF with regards 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
The Group holds significant investments in telecommunication and related businesses in various geographical locations. The carrying value of goodwill as at 31 December 2022 totalled 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.

How the matter was addressed in our audit

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 for the impairment of CGUs given our understanding of its operating and business structures, process of management review and reporting and the independence of the cash flows associated with the respective CGUs.

We tested the allocation of indirect costs on non-regulated operations based on the relative cost of providing services. We also assessed whether the estimates with respect to cash flow projections made in prior periods were reasonable compared to actual performance.

The Group holds significant investments in telecommunication and related businesses in various geographical locations. The carrying value of goodwill as at 31 December 2022 totalled 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.

How the matter was addressed in our audit

Our procedures included, amongst others, those described below.

- We determined the tax charge for the year.
- We conducted sensitivity analyses around the key inputs.
- We assessed the reasonableness of the Board’s approved cash flow projections and the methodology used in their determination.
- We inspected the correspondence between the Group and the MoF with regards 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.
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 these exposures that represent contingent liabilities.

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 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 interviewed 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 interviewed 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 39,325 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 on a sample basis.

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 operating, 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 it 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

To the Shareholders of Emirates Telecommunications Group Company PJSC

Overview | Strategic Report | Operating Review | Governance | Financial Statements
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 compiled 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 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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>7</td>
<td>(33,323,052)</td>
</tr>
<tr>
<td>Impairment loss on trade receivables and contract assets</td>
<td>35</td>
<td>(903,470)</td>
</tr>
<tr>
<td>Impairment loss on other assets - net</td>
<td>12</td>
<td>(2,756)</td>
</tr>
<tr>
<td>Share of results of associates and joint ventures</td>
<td>16</td>
<td>417,358</td>
</tr>
<tr>
<td><strong>Operating profit before federal royalty</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal royalty</td>
<td>7</td>
<td>(5,770,893)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and other income</td>
<td>8</td>
<td>2,000,601</td>
</tr>
<tr>
<td>Finance and other costs</td>
<td>9</td>
<td>(2,674,340)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>10</td>
<td>(1,751,977)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the Company</td>
<td></td>
<td>10,007,361</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>518,337</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Basic and diluted | | 3.9 | 3.1

### Emirates Telecommunications Group Company PJSC

**Consolidated statement of profit or loss and other comprehensive income**

for the year ended 31 December 2022

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the Company</td>
<td></td>
<td>10,525,698</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>518,337</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>11,044,035</td>
</tr>
</tbody>
</table>

**Items that will not be reclassified to profit or loss:**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remeasurement of defined benefit obligations - net of tax</td>
<td>(51,594)</td>
<td>(5,359)</td>
</tr>
<tr>
<td>Share of other comprehensive gain/(loss) of associates and joint ventures – net of tax</td>
<td>(2,189)</td>
<td>(148,141)</td>
</tr>
</tbody>
</table>

**Items that are or may be reclassified subsequently to profit or loss:**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>(1,285,250)</td>
<td>(5,359)</td>
</tr>
<tr>
<td>Gain on net investment hedge</td>
<td>782,797</td>
<td>518,404</td>
</tr>
<tr>
<td>Fair value gain arising on cash flow hedges</td>
<td>97,490</td>
<td>549,885</td>
</tr>
<tr>
<td>Loss on revaluation of financial assets</td>
<td>20,012</td>
<td>(5,359)</td>
</tr>
<tr>
<td>Share of other comprehensive income of associates and joint ventures – net of tax</td>
<td>33,672</td>
<td>20,012</td>
</tr>
<tr>
<td><strong>Total other comprehensive loss</strong></td>
<td>(10,167,259)</td>
<td>(444,192)</td>
</tr>
</tbody>
</table>

**Total comprehensive income/(loss)**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners of the Company</td>
<td>9,560,109</td>
<td>10,615,297</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(1,279,413)</td>
<td>(444,192)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,280,696</td>
<td>10,171,105</td>
</tr>
</tbody>
</table>

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.
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.
Consolidated statement of cash flows
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. 79, which was revised by the UAE Federal Act No. (1) of 1991 and further amended by Decentral Federal Code No. 3 of 2003 concerning the regulation of the telecommunications sector in the UAE. In accordance with Federal Law No. 207/2003 for 2003, 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 amend 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 25% 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 as 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 aforesaid 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 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 i) one year from 1 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 Telecomregulations and Digital Government Regulatory Authority (TRA) 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.
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)
• Oneson 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)
• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
• COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

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:

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

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.
Notes to the consolidated financial statements
for the year ended 31 December 2022

3. Significant accounting policies (continued)

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 (NAS), Loyalty points | Revenue is recognised for voice, data, messaging and NAS is recognised over the period when these services are provided to the customers. Revenue recognition for loyalty points is when the points are redeemed or expire.
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, 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.

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 initial term 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.
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 leases of equipment 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 contains a lease component, E& allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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 the risks are such that the lessor is a finance lease, or if the risk 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 historical cost in a foreign currency are not retranslated.

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 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 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 historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in other comprehensive income and are presented in the translation reserve in equity except to the extent they relate to the major part of the economic life of the asset.

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.

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.

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.

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 FVTOCI 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.
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 deferred tax liabilities 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 edil 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 edil 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 edil 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.

Deferred tax liabilities are 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 deferred tax liabilities can be utilised.

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 edil’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 edil’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 edil’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 edil 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.
Impairment of tangible and intangible assets excluding goodwill

E& reviews the carrying amounts of the 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 is tested for impairment annually. For impairment testing, assets are grouped together into the smallest group or groups 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.

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.

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.

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 concerns, 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.

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 instruments 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.

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.

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 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.

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 (ii) to (iii)) 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 (iii).
3. Significant accounting policies (continued)

vi) 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.

vii) 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 FVTTOI, 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 of 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, 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.

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

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.

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 FVTTOI, 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.

x) 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.
3. Significant accounting policies (continued)

xi) 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.

xii) 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 hedging) so that it meets the qualifying criteria again.

xiii) 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. E& neither transfer nor retains substantially all the risks and rewards 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/permited 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 assets, 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.
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 estimate 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;

Key sources of estimation uncertainty

- 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 judgment 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& recognises 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 rates 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
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 in 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.

The segment information has been provided on the following page.

The segment information has been provided on the following page.

6. Revenue

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

<table>
<thead>
<tr>
<th></th>
<th>UAE AED’000</th>
<th>Morocco AED’000</th>
<th>Egypt AED’000</th>
<th>Pakistan AED’000</th>
<th>Others AED’000</th>
<th>Eliminations AED’000</th>
<th>Consolidated AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External revenue</td>
<td>32,106,688</td>
<td>7,406,369</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td>2,658,434</td>
<td>7,099,803</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>34,765,122</td>
<td>8,106,172</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment result</td>
<td>12,040,191</td>
<td>2,717,866</td>
<td>1,201,763</td>
<td>22,369</td>
<td>1,459,574</td>
<td></td>
<td>18,341,083</td>
</tr>
<tr>
<td>Federal royalty</td>
<td>5,541,066</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and other income</td>
<td>2,693,803</td>
<td>1,003,895</td>
<td>1,201,763</td>
<td>22,369</td>
<td>1,459,574</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and other costs</td>
<td>1,284,333</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>12,804,491</td>
<td>2,654,868</td>
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<td></td>
<td>15,283,246</td>
</tr>
<tr>
<td>Taxation</td>
<td>2,654,868</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>10,149,623</td>
<td>2,654,868</td>
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<td>22,369</td>
<td>1,459,574</td>
<td></td>
<td>12,628,375</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>UAE AED’000</th>
<th>Morocco AED’000</th>
<th>Egypt AED’000</th>
<th>Pakistan AED’000</th>
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</tr>
</tbody>
</table>

9. Revenue

<table>
<thead>
<tr>
<th></th>
<th>Within one year AED’000</th>
<th>More than one year AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected revenue for remaining performance obligations that will be delivered in subsequent years</td>
<td>8,472,481</td>
<td>2,077,569</td>
<td>10,549,750</td>
</tr>
<tr>
<td>31 December 2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected revenue for remaining performance obligations that will be delivered in subsequent years</td>
<td>8,809,439</td>
<td>1,907,540</td>
<td>10,715,979</td>
</tr>
</tbody>
</table>

C) Timing of revenue recognition

<table>
<thead>
<tr>
<th></th>
<th>UAE AED’000</th>
<th>Morocco AED’000</th>
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</tr>
<tr>
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<td>22,369</td>
<td>1,459,574</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and other costs</td>
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<td></td>
<td></td>
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<tr>
<td>Taxation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>1,201,763</td>
<td>22,369</td>
<td>1,459,574</td>
<td></td>
<td>12,628,375</td>
</tr>
</tbody>
</table>

31 December 2022
PO satisfied at the point of time | 2,631,434 | 206,478 | 69,664 | 37,980 | 87,843 | 3,093,108 |
PO satisfied over a period of time | 29,475,545 | 9,004,088 | 4,777,778 | 2,576,303 | 6,608,085 | 49,341,199 |

31 December 2021
PO satisfied at the point of time | 2,658,434 | 306,566 | 97,674 | 46,021 | 49,070 | 3,759,503 |
PO satisfied over a period of time | 28,219,244 | 7,009,903 | 4,879,229 | 2,971,609 | 6,985,928 | 50,233,762 |
Total revenue | 30,952,478 | 7,406,369 | 4,977,103 | 3,017,830 | 6,988,466 | 53,342,246 |
7. Operating expenses and federal royalty

a) Operating expenses

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct cost of sales</td>
<td>11,242,618</td>
<td>12,690,791</td>
</tr>
<tr>
<td>Staff costs</td>
<td>4,475,396</td>
<td>4,690,304</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,794,766</td>
<td>6,370,712</td>
</tr>
<tr>
<td>Network and related costs</td>
<td>2,778,034</td>
<td>2,795,408</td>
</tr>
<tr>
<td>Amortisation</td>
<td>1,721,119</td>
<td>1,824,688</td>
</tr>
<tr>
<td>Regulatory expenses *</td>
<td>1,471,269</td>
<td>1,559,558</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>976,322</td>
<td>1,094,697</td>
</tr>
<tr>
<td>Consultancy costs</td>
<td>825,645</td>
<td>695,692</td>
</tr>
<tr>
<td>IT costs</td>
<td>433,697</td>
<td>391,696</td>
</tr>
<tr>
<td>Foreign exchange losses - net</td>
<td>379,485</td>
<td>333,409</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>64,137</td>
<td>35,008</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1,328,313</td>
<td>1,390,272</td>
</tr>
<tr>
<td><strong>Operating expenses (before federal royalty)</strong></td>
<td><strong>33,323,092</strong></td>
<td><strong>34,081,274</strong></td>
</tr>
</tbody>
</table>

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

b) Federal Royalty

In accordance with the Cabinet decision No. 559/1 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. 325/1989 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) at 1% of its net regulated revenues annually.

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

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on bank deposits and amortised cost investments</td>
<td>993,026</td>
<td>522,693</td>
</tr>
<tr>
<td>Loss on forward foreign exchange contracts</td>
<td>44,389</td>
<td>24,019</td>
</tr>
<tr>
<td>Net loss/gain on financial assets designated as FVTPL</td>
<td>114,506</td>
<td>27,863</td>
</tr>
<tr>
<td>Dividend income</td>
<td>70,675</td>
<td>27,863</td>
</tr>
<tr>
<td>Other income</td>
<td>384,478</td>
<td>647,863</td>
</tr>
<tr>
<td><strong>Total finance and other income</strong></td>
<td><strong>2,674,340</strong></td>
<td><strong>1,284,136</strong></td>
</tr>
</tbody>
</table>

9. Finance and other costs

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on short term bank borrowings, loans and other financial liabilities</td>
<td>1,387,656</td>
<td>888,499</td>
</tr>
<tr>
<td>Interest on other borrowings</td>
<td>266,865</td>
<td>315,756</td>
</tr>
<tr>
<td>Foreign exchange loss/gain on borrowings - net</td>
<td>350,932</td>
<td>(2,538)</td>
</tr>
<tr>
<td>Other costs</td>
<td>631,215</td>
<td>58,317</td>
</tr>
<tr>
<td>Unwinding of discount</td>
<td>189,192</td>
<td>24,063</td>
</tr>
<tr>
<td><strong>Total borrowing costs</strong></td>
<td><strong>2,674,340</strong></td>
<td><strong>1,284,136</strong></td>
</tr>
<tr>
<td>Less: amounts included in the cost of qualifying assets</td>
<td>(5,271)</td>
<td>(9,456)</td>
</tr>
<tr>
<td><strong>Total borrowing costs</strong></td>
<td><strong>2,674,340</strong></td>
<td><strong>1,284,136</strong></td>
</tr>
</tbody>
</table>

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 borrowings. Borrowing costs attributable to non-specific borrowings 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

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense</td>
<td>2,000,601</td>
<td>1,289,120</td>
</tr>
<tr>
<td>Deferred tax credit</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total tax expense</strong></td>
<td><strong>2,000,601</strong></td>
<td><strong>1,289,120</strong></td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Tax based on the applicable weighted average tax rate of 31.27% (2021: 30.56%)</td>
<td>1,910,749</td>
</tr>
<tr>
<td>Tax effect of share of results of associates</td>
<td>22,075</td>
</tr>
<tr>
<td>Tax effect of expenses that are not deductible in determining taxable profit</td>
<td>664,434</td>
</tr>
<tr>
<td>Effect on deferred tax balances of change in income tax rate</td>
<td>(25,979)</td>
</tr>
<tr>
<td>Effect on deferred tax balances due to purchase price allocation</td>
<td>(43,399)</td>
</tr>
<tr>
<td>Income tax expenses recognised in profit or losses</td>
<td>1,751,977</td>
</tr>
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</table>

a) Total tax

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

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>220,111</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(1,645,275)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
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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:

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>220,111</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(1,645,275)</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Deferred tax on depreciation and amortisation</td>
<td>2,772,407</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>30,702</td>
</tr>
<tr>
<td>Credit to the consolidated statement of profit or loss</td>
<td>95,999</td>
</tr>
<tr>
<td>Charge to other comprehensive income</td>
<td>29,107</td>
</tr>
<tr>
<td>Other movements</td>
<td>(2,243)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(134,966)</td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>2,330,242</td>
</tr>
<tr>
<td>Credit to the consolidated statement of profit or loss</td>
<td>11,337</td>
</tr>
<tr>
<td>Total unused tax losses</td>
<td>28,689</td>
</tr>
<tr>
<td>of which deferred tax assets recognised for</td>
<td>191</td>
</tr>
</tbody>
</table>

Unused tax losses

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Deferred tax on depreciation and amortisation</td>
<td>2,772,407</td>
</tr>
<tr>
<td>Deferred tax on overseas earnings</td>
<td>30,702</td>
</tr>
<tr>
<td>Credit to the consolidated statement of profit or loss</td>
<td>95,999</td>
</tr>
<tr>
<td>Charge to other comprehensive income</td>
<td>29,107</td>
</tr>
<tr>
<td>Other movements</td>
<td>(2,243)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(134,966)</td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>2,330,242</td>
</tr>
<tr>
<td>Credit to the consolidated statement of profit or loss</td>
<td>11,337</td>
</tr>
<tr>
<td>Total unused tax losses</td>
<td>28,689</td>
</tr>
<tr>
<td>of which deferred tax assets recognised for</td>
<td>191</td>
</tr>
</tbody>
</table>
11. Goodwill and other intangible assets

<table>
<thead>
<tr>
<th>Cost</th>
<th>Goodwill AED’000</th>
<th>Licenses AED’000</th>
<th>Trade Names AED’000</th>
<th>Others AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2021</td>
<td>16,771,776</td>
<td>17,861,196</td>
<td>2,094,627</td>
<td>9,221,996</td>
<td>45,949,595</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>130,609</td>
<td>-</td>
<td>-</td>
<td>130,609</td>
</tr>
<tr>
<td>Transfer from property, plant and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>590,810</td>
<td>590,810</td>
</tr>
<tr>
<td>Capitalized during the year</td>
<td>-</td>
<td>1,642,532</td>
<td>-</td>
<td>(1,642,532)</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of subsidiary</td>
<td>140,428</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>140,428</td>
</tr>
<tr>
<td>Disposals</td>
<td>- (22,351)</td>
<td>-</td>
<td>(26,256)</td>
<td>-</td>
<td>(30,607)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(599,590)</td>
<td>(693,724)</td>
<td>48,524</td>
<td>(2,105,904)</td>
<td>(735,384)</td>
</tr>
<tr>
<td>At 31 December 2021</td>
<td>16,312,614</td>
<td>18,928,262</td>
<td>2,143,151</td>
<td>9,289,603</td>
<td>46,673,630</td>
</tr>
</tbody>
</table>

Amortisation and impairment

| At 1 January 2021 | 4,929,500 | 7,947,704 | 673,120 | 6,122,829 | 19,673,153 |
| Change for the year | - | (836,808) | 81,784 | 1,787,489 | 1,854,270 |
| Impairment losses | 34,648 | 17,722 | - | 27,455 | 79,825 |
| Disposals | - (12,351) | - | (15,924) | - | (28,275) |
| Exchange differences | (3,202) | (29,703) | 812 | (43,374) | (73,584) |
| 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 |

<table>
<thead>
<tr>
<th>Cost</th>
<th>Goodwill AED’000</th>
<th>Licenses AED’000</th>
<th>Trade Names AED’000</th>
<th>Others AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2022</td>
<td>16,312,614</td>
<td>18,928,262</td>
<td>2,143,151</td>
<td>9,289,603</td>
<td>46,673,630</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>346,023</td>
<td>-</td>
<td>943,854</td>
<td>1,289,877</td>
</tr>
<tr>
<td>Capitalized during the year</td>
<td>-</td>
<td>189,912</td>
<td>-</td>
<td>(189,912)</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of subsidiary (Note 41)</td>
<td>493,065</td>
<td>-</td>
<td>1,370</td>
<td>648,447</td>
<td>1,142,882</td>
</tr>
<tr>
<td>Transfer</td>
<td>(15,052)</td>
<td>15,052</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>- (2,819)</td>
<td>-</td>
<td>(31,263)</td>
<td>-</td>
<td>(34,082)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(1,125,544)</td>
<td>(3,879,941)</td>
<td>(812)</td>
<td>(6,397,275)</td>
<td>(735,384)</td>
</tr>
<tr>
<td>At 31 December 2022</td>
<td>15,665,083</td>
<td>15,581,437</td>
<td>1,903,261</td>
<td>9,524,354</td>
<td>42,744,135</td>
</tr>
</tbody>
</table>

Amortisation and impairment

| At 1 January 2022 | 4,960,946 | 8,492,687 | 754,092 | 6,635,864 | 20,843,589 |
| Change for the year | - | 834,888 | 80,925 | 931,580 | 1,847,393 |
| Acquisition of subsidiary (Note 41) | 493,065 | - | 1,370 | 648,447 | 1,142,882 |
| Disposals | - (2,819) | - | (31,263) | - | (34,082) |
| Exchange differences | (1,125,544) | (3,879,941) | (812) | (6,397,275) | (735,384) |
| At 31 December 2022 | 4,942,538 | 7,655,560 | 834,205 | 6,902,600 | 22,339,232 |

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:

<table>
<thead>
<tr>
<th>Others - net book values</th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indefeasible rights of use</td>
<td>-</td>
<td>189,759</td>
</tr>
<tr>
<td>Computer software</td>
<td>1,156,166</td>
<td>1,296,023</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>44,212</td>
<td>54,999</td>
</tr>
<tr>
<td>Others*</td>
<td>1,230,167</td>
<td>976,676</td>
</tr>
<tr>
<td>Total impairment losses for the year</td>
<td>2,621,754</td>
<td>2,653,739</td>
</tr>
</tbody>
</table>

* 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.

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. Etisalat 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 Etisalat’s International reportable segment) is allocated to the following CGUs:

<table>
<thead>
<tr>
<th>Others (CGU to which goodwill is allocated)</th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etisalat UAE</td>
<td>-</td>
<td>7,085</td>
</tr>
<tr>
<td>of which relating to property, plant and equipment (Note 13)</td>
<td>-</td>
<td>7,085</td>
</tr>
<tr>
<td>Marc Telecom international subsidiaries</td>
<td>-</td>
<td>34,648</td>
</tr>
<tr>
<td>of which relating to goodwill (Note 11)</td>
<td>-</td>
<td>34,648</td>
</tr>
<tr>
<td>Others</td>
<td>2,756</td>
<td>106,408</td>
</tr>
<tr>
<td>of which relating to intangible assets (Note 11)</td>
<td>-</td>
<td>45,977</td>
</tr>
<tr>
<td>of which relating to property, plant and equipment (Note 13)</td>
<td>952</td>
<td>61,231</td>
</tr>
<tr>
<td>of which relating to other assets</td>
<td>-</td>
<td>1,804</td>
</tr>
<tr>
<td>Total impairment losses for the year</td>
<td>2,756</td>
<td>148,141</td>
</tr>
</tbody>
</table>

Goodwill has been allocated to the separately identifiable CGUs.
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 19.27%).

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 territories. The pre-tax 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.

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] could cause the recoverable amount of each CGU to decrease to a recoverable amount below the carrying amount.

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] could cause the recoverable amount of each CGU to decrease to a recoverable amount below the carrying amount.

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 19.27%).

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 territories. The pre-tax 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] could cause the recoverable amounts to exceed the recoverable amounts.

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] could cause the carrying amounts to exceed the recoverable amounts.

13. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings AED’000</th>
<th>Plant and equipment AED’000</th>
<th>Motor vehicles, computer, furniture AED’000</th>
<th>Assets under construction AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depreciation and impairment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>3,422,120</td>
<td>47,541,697</td>
<td>5,233,138</td>
<td>182,041</td>
<td>56,378,996</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>228,066</td>
<td>5,039,102</td>
<td>544,748</td>
<td></td>
<td>5,792,016</td>
</tr>
<tr>
<td>Impairment charge</td>
<td>-</td>
<td>576,556</td>
<td>2,036</td>
<td>8,644</td>
<td>68,316</td>
</tr>
<tr>
<td>Disposals</td>
<td>(3,172)</td>
<td>(89,907)</td>
<td>(778,986)</td>
<td></td>
<td>(1,451,063)</td>
</tr>
<tr>
<td>Other movement</td>
<td>1,051</td>
<td>133</td>
<td>(955)</td>
<td></td>
<td>(774)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(152,633)</td>
<td>(2,996,448)</td>
<td>(108,287)</td>
<td>6</td>
<td>(3,137,362)</td>
</tr>
<tr>
<td>Reclassified as held for sale (Note 2)</td>
<td>(4,287)</td>
<td>(836,015)</td>
<td>(593,601)</td>
<td>(5,686)</td>
<td>(1,443,890)</td>
</tr>
<tr>
<td><strong>At 31 December 2021</strong></td>
<td>3,491,245</td>
<td>48,772,942</td>
<td>6,354,252</td>
<td>190,691</td>
<td>54,878,161</td>
</tr>
<tr>
<td><strong>Carrying amount at 31 December 2021</strong></td>
<td>6,385,793</td>
<td>30,931,533</td>
<td>1,769,824</td>
<td>4,627,938</td>
<td>43,715,088</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings AED’000</th>
<th>Plant and equipment AED’000</th>
<th>Motor vehicles, computer, furniture AED’000</th>
<th>Assets under construction AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 January 2022</strong></td>
<td>9,877,038</td>
<td>79,704,475</td>
<td>6,798,894</td>
<td>180,691</td>
<td>101,199,036</td>
</tr>
<tr>
<td><strong>Carrying amount at 31 December 2022</strong></td>
<td>4,606,549</td>
<td>28,621,331</td>
<td>1,735,584</td>
<td>4,961,835</td>
<td>39,925,299</td>
</tr>
</tbody>
</table>
Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2022

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).

14. Right-of-use assets

<table>
<thead>
<tr>
<th>Land and buildings AED’000</th>
<th>Plant and equipment AED’000</th>
<th>Motor vehicles, computer, furniture AED’000</th>
<th>Total AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2021 1,450,271 1,044,683 145,148</td>
<td>2,700,102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions for the year 311,143 162,313 30,436</td>
<td>503,892</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2021 1,261,269 1,062,732 112,920</td>
<td>2,436,921</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additions for the year 1,216,353 500,665 53,858 1,770,876

Depreciation for the year (345,359) (185,028) (48,369) (578,756)

Disposals for the year (89,203) (13,369) (9,072) (111,644)

Exchange differences (118,272) (329,520) (25,087) (472,879)

Balance at 31 December 2022 854,710 842,596 84,254 1,781,560

15. Subsidiaries

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of incorporation</th>
<th>Principal activity</th>
<th>Percentage shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emirates Cable TV and Multimedia LLC</td>
<td>UAE</td>
<td>Cable television services</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat International Pakistan LLC</td>
<td>UAE</td>
<td>Holds investment in Pakistan Telecommunication Co. Ltd</td>
<td>90%</td>
</tr>
<tr>
<td>E-Marine PJSC</td>
<td>UAE</td>
<td>Submarine cable activities</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat Services Holding LLC</td>
<td>UAE</td>
<td>Infrastructure services</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat Technology Services LLC</td>
<td>UAE</td>
<td>Technology solutions</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat Afghanistan</td>
<td>Afghanistan</td>
<td>Telecommunications services</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat Misr S.A.E.</td>
<td>Egypt</td>
<td>Telecommunications services</td>
<td>66.4%</td>
</tr>
<tr>
<td>Atlantique Telecom S.A.</td>
<td>Ivory Coast</td>
<td>Telecommunications services</td>
<td>100%</td>
</tr>
<tr>
<td>Pakistan Telecommunication Company Limited</td>
<td>Pakistan</td>
<td>Telecommunications services</td>
<td>29%</td>
</tr>
<tr>
<td>Etisalat Investment North Africa LLC</td>
<td>UAE</td>
<td>Holds investment in Société de Participation dans les Télécommunications (SPT)</td>
<td>100%</td>
</tr>
<tr>
<td>Société de Participation dans les Télécommunications (SPT)</td>
<td>Kingdom of Morocco</td>
<td>Holds investment in Maroc Telecom</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat Al Maghrb S.A (Maroc Telecom)</td>
<td>Kingdom of Morocco</td>
<td>Telecommunications services</td>
<td>53%</td>
</tr>
<tr>
<td>Etisalat Mauritius Private Limited</td>
<td>Mauritius</td>
<td>Holds investment in Etisalat DB Telecom Private Limited</td>
<td>100%</td>
</tr>
<tr>
<td>Ubiquitous Telecommunications Technology LLC</td>
<td>UAE</td>
<td>Installation and management of network systems</td>
<td>85%</td>
</tr>
<tr>
<td>Help AG Abu Dhabi</td>
<td>UAE</td>
<td>Digital services</td>
<td>100%</td>
</tr>
<tr>
<td>Help AG KSA</td>
<td>Kingdom of Saudi Arabia</td>
<td>Digital services</td>
<td>100%</td>
</tr>
<tr>
<td>Etisalat Digital KSA</td>
<td>Kingdom of Saudi Arabia</td>
<td>Digital services</td>
<td>100%</td>
</tr>
<tr>
<td>Solid FZCO</td>
<td>UAE</td>
<td>Mobile Phones and accessories trading</td>
<td>100%</td>
</tr>
<tr>
<td>UTC Information Technology Network Services Co. LLC</td>
<td>UAE</td>
<td>Blockchain Enabled Financial Services</td>
<td>100%</td>
</tr>
<tr>
<td>Digital Financial Services LLC (Note 41)</td>
<td>UAE</td>
<td>Mobile Financial Services</td>
<td>100%</td>
</tr>
<tr>
<td>eGrocer DMCC (Note 41)</td>
<td>UAE</td>
<td>Online marketplace for groceries</td>
<td>100%</td>
</tr>
<tr>
<td>Smart Technology Services DWC LLC “Smart World” (Note 41)</td>
<td>UAE</td>
<td>Installation and management of network systems</td>
<td>100%</td>
</tr>
<tr>
<td>Playco Holding Limited “Starzplay” (Note 41)</td>
<td>UAE</td>
<td>Subscription Video On Demand (“SVOD”) and IPTV service</td>
<td>38%</td>
</tr>
</tbody>
</table>

*Note: 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 4.7%, increasing e&'s ownership in EINA to 53%. EINA holds investment in Société de Participation dans les Télécommunications (SPT) that holds investment in Maroc Telecom Group. The 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
Notes to the consolidated financial statements
for the year ended 31 December 2022

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 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 eGrocer DMCC after satisfying all conditions precedent and completion deliverables pursuant to an agreement signed with eGrocer 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 based investment and holding company, has successfully completed the acquisition of circa 57% of Payco 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 named 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

<table>
<thead>
<tr>
<th></th>
<th>Maroc Telecom consolidated</th>
<th>PTCL consolidated</th>
<th>Etisalat Misr consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interest (shareholding %)</td>
<td>47.0%</td>
<td>76.6%</td>
<td>33.6%</td>
</tr>
<tr>
<td>Revenue</td>
<td>5,776,804</td>
<td>2,088,627</td>
<td>1,646,313</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td>633,061</td>
<td>(786,089)</td>
<td>816,975</td>
</tr>
<tr>
<td>Other comprehensive loss for the year</td>
<td>(346,023)</td>
<td>(714,764)</td>
<td>(751,044)</td>
</tr>
<tr>
<td>Total comprehensive income / (loss) for the year</td>
<td>2,719,410</td>
<td>786,089</td>
<td>816,975</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>2,719,410</td>
<td>786,089</td>
<td>816,975</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(1,169,040)</td>
<td>(1,238,827)</td>
<td>(1,286,423)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(218,232)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>-</td>
<td>(113,514)</td>
<td>(113,514)</td>
</tr>
<tr>
<td>Other movement in equity</td>
<td>(12,321)</td>
<td>(960)</td>
<td>(960)</td>
</tr>
<tr>
<td>Non-controlling interests as at 31 December</td>
<td>4,094,836</td>
<td>3,048,911</td>
<td>1,955,291</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summarised information relating to subsidiaries:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>6,052,306</td>
<td>3,701,114</td>
<td>1,307,841</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>32,427,665</td>
<td>8,908,390</td>
<td>9,701,103</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>15,081,224</td>
<td>5,399,571</td>
<td>3,140,965</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>3,608,913</td>
<td>4,338,369</td>
<td>1,927,527</td>
</tr>
<tr>
<td>c) Movement in non-controlling interests</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The movement in non-controlling interests is provided below:

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January</td>
<td>9,977,786</td>
<td>11,516,082</td>
</tr>
<tr>
<td>Total comprehensive income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>518,337</td>
<td>1,742,444</td>
</tr>
<tr>
<td>Remeasurement of defined benefit obligations - net of tax</td>
<td>(942)</td>
<td>(26,637)</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>(815,059)</td>
<td>(658,283)</td>
</tr>
<tr>
<td>Loss on revaluation of investment classified as fair value through OCI</td>
<td>-</td>
<td>3,873</td>
</tr>
<tr>
<td>Fair value loss arising on cash flow hedges</td>
<td>14,386</td>
<td>(1,336)</td>
</tr>
<tr>
<td>Other movement in equity</td>
<td>(12,321)</td>
<td>(960)</td>
</tr>
<tr>
<td>Transaction with owners of the Company:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of a subsidiary</td>
<td>218,232</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of advances to non-controlling interests</td>
<td>-</td>
<td>672,274</td>
</tr>
<tr>
<td>Acquisition of additional stake in a subsidiary</td>
<td>-</td>
<td>(1,286,423)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(3,048,911)</td>
<td>(1,955,291)</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>7,735,244</td>
<td>9,977,786</td>
</tr>
</tbody>
</table>
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.

b) Movement in investments in associates

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

d) Aggregated amounts relating to associates

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of incorporation</th>
<th>Principal activity</th>
<th>Percentage shareholding 2022</th>
<th>Percentage shareholding 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etihad Etisalat Company (“Mobily”)</td>
<td>Saudi Arabia</td>
<td>Telecommunications services</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Hutch Telecommunications Lanka (Private) Limited (“Hutch”) (i)</td>
<td>Sri Lanka</td>
<td>Telecommunications services</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Wio Bank (ii)</td>
<td>UAE</td>
<td>Digital banking platform</td>
<td>25%</td>
<td>-</td>
</tr>
<tr>
<td>Khazna Data Centre Holdings (“KDCCH”) (iii)</td>
<td>UAE</td>
<td>Data Center Management</td>
<td>40%</td>
<td>-</td>
</tr>
</tbody>
</table>

(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 1 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 JVsCo as an associate for an amount of AED 2,938 million.

b) Movement in investments in associates

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
<th>2022</th>
<th>2021</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
<td>AED’000</td>
<td>AED’000</td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>CARRYING AMOUNT OF NCI ACQUIRED</td>
<td>1,286,423</td>
<td>1,286,423</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CONSIDERATION PAID TO NCI</td>
<td>-</td>
<td>-</td>
<td>1,862,970</td>
<td>1,862,970</td>
<td>-</td>
</tr>
<tr>
<td>DECREASE IN EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</td>
<td>-</td>
<td>-</td>
<td>576,547</td>
<td>576,547</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL DECREASE IN EQUITY ATTRIBUTABLE TO OWNERS</strong></td>
<td>1,286,423</td>
<td>1,286,423</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>14,864,756</td>
</tr>
<tr>
<td>GROUP SHARE IN NET ASSETS OF ASSOCIATES</td>
<td>4,161,091</td>
</tr>
<tr>
<td>PURCHASE PRICE ALLOCATION ADJUSTMENTS</td>
<td>-</td>
</tr>
<tr>
<td>OTHERS *</td>
<td>244,558</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4,452,409</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>CARRYING AMOUNT AT 31 DECEMBER</td>
<td>4,452,409</td>
</tr>
</tbody>
</table>

The share of results and carrying amounts of assets and liabilities of Mobily have been adjusted to comply with e&’s accounting policies.
Notes to the consolidated financial statements for the year ended 31 December 2022

17. Investment in associates and joint ventures

**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:

<table>
<thead>
<tr>
<th>Name</th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etihad Etisalat Company ('Mobily')</td>
<td>7,319,481</td>
<td>6,567,814</td>
</tr>
</tbody>
</table>

**f)** Joint ventures

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of incorporation</th>
<th>Principal activity</th>
<th>Percentage shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Technology Services DWC – LLC (i)</td>
<td>UAE</td>
<td>ICT Services</td>
<td>100%</td>
</tr>
<tr>
<td>Emirates Facilities Management LLC</td>
<td>UAE</td>
<td>Facilities management</td>
<td>50%</td>
</tr>
</tbody>
</table>

(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

<table>
<thead>
<tr>
<th>Carrying amount at 1 January</th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Technology Services DWC – LLC (i)</td>
<td>46,760</td>
<td>45,371</td>
</tr>
<tr>
<td>Emirates Facilities Management LLC</td>
<td>3,793</td>
<td>5,288</td>
</tr>
<tr>
<td>Derecognition of Smart Technology Services DWC LLC</td>
<td>-</td>
<td>(38,248)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(771)</td>
<td>(9,898)</td>
</tr>
<tr>
<td>Carrying amount at 31 December</td>
<td>6,784</td>
<td>46,760</td>
</tr>
</tbody>
</table>

**h)** Aggregated amounts relating to joint ventures

<table>
<thead>
<tr>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets (including cash and cash equivalents AED 18,446 thousand (2021 AED 24,479 thousand)</td>
<td>66,904</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,317</td>
</tr>
<tr>
<td>Current liabilities (including trade and other payables and provisions of AED 50,284 thousand (2021 AED 85,022 thousand)</td>
<td>(50,774)</td>
</tr>
<tr>
<td>Non-current liabilities (including trade and other payables and provisions of AED 4,467 thousand (2021 AED 95,322 thousand)</td>
<td>(4,467)</td>
</tr>
<tr>
<td>Net assets</td>
<td>13,980</td>
</tr>
<tr>
<td>Revenue</td>
<td>81,033</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>855</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>60</td>
</tr>
<tr>
<td>Profit or loss</td>
<td>7,669</td>
</tr>
</tbody>
</table>

e& has not identified any contingent liabilities or capital commitments in relation to its interest in joint ventures.

18. Other investments

<table>
<thead>
<tr>
<th>Fair value through profit and loss - Mandatory</th>
<th>Fair value through profit and loss - designated on initial recognition</th>
<th>Fair value through other comprehensive income</th>
<th>Amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED'000</td>
<td>AED'000</td>
<td>AED'000</td>
<td>AED'000</td>
<td>AED'000</td>
</tr>
<tr>
<td>At 1 January 2021</td>
<td>1,821,472</td>
<td>385,757</td>
<td>193,900</td>
<td>1,834,206</td>
</tr>
<tr>
<td>Additions</td>
<td>769,720</td>
<td>-</td>
<td>12,756</td>
<td>1,231,372</td>
</tr>
<tr>
<td>Disposals</td>
<td>(232,659)</td>
<td>-</td>
<td>-</td>
<td>(165,215)</td>
</tr>
<tr>
<td>Fair value changes</td>
<td>(13,570)</td>
<td>(10,697)</td>
<td>(5,433)</td>
<td>-</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(1,335)</td>
<td>794</td>
<td>(1,611)</td>
<td>(814,214)</td>
</tr>
<tr>
<td>At 31 December 2021</td>
<td>588,828</td>
<td>383,009</td>
<td>197,414</td>
<td>2,862,151</td>
</tr>
</tbody>
</table>

**Additions**
- of which current: 293,712
- of which non-current: 295,116
**Disposals**
- of which current: 197,414
- of which non-current: 2,721,671
**Fair value changes**
- of which current: (14,833)
- of which non-current: (14,833)
**Exchange differences**
- of which current: (3,971)
- of which non-current: (3,971)

At 31 December 2022, the market value of the investment in these bonds was AED 2,116 million (2021: AED 2,496 million).

The financial assets at amortised cost includes investments in Sukuk 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).
19. Related party transactions and balances (continued)

b) Joint ventures and associates

<table>
<thead>
<tr>
<th>Associates</th>
<th>Joint Venture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
</tr>
<tr>
<td>Trading transactions</td>
<td></td>
</tr>
<tr>
<td>Telecommunication services - sales</td>
<td>310,094</td>
</tr>
<tr>
<td>Telecommunication services - purchases</td>
<td>134,901</td>
</tr>
<tr>
<td>Management and other services</td>
<td>30,592</td>
</tr>
<tr>
<td>Due from related parties as at 31 December</td>
<td>86,852</td>
</tr>
<tr>
<td>Due to related parties as at 31 December</td>
<td>-</td>
</tr>
</tbody>
</table>

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. Etisalat DisiSat 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:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term benefits</td>
<td>1,039</td>
<td>1,024</td>
</tr>
<tr>
<td>Short-term benefits</td>
<td>63,608</td>
<td>46,522</td>
</tr>
</tbody>
</table>

20. Inventories

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriber equipment</td>
<td>529,307</td>
<td>474,321</td>
</tr>
<tr>
<td>Maintenance and consumables</td>
<td>601,057</td>
<td>438,076</td>
</tr>
<tr>
<td>Obsolescence allowances</td>
<td>15,768</td>
<td>16,726</td>
</tr>
<tr>
<td>Inventories</td>
<td>972,875</td>
<td>748,786</td>
</tr>
</tbody>
</table>

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.
21. Trade and other receivables (continued)

<table>
<thead>
<tr>
<th>Trade receivable - as on 31 December 2022</th>
<th>Upto 60 days</th>
<th>61-90 days</th>
<th>91-365 days</th>
<th>Over one year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected credit loss rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifetime expected credit loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net trade receivables</td>
<td>4,138,099</td>
<td>709,549</td>
<td>1,332,185</td>
<td>3,948,864</td>
<td>10,128,667</td>
</tr>
</tbody>
</table>

22. Contract assets

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to acquire</td>
<td>428,880</td>
<td>410,277</td>
</tr>
<tr>
<td>Cost to fulfill</td>
<td>232,819</td>
<td>246,291</td>
</tr>
<tr>
<td>Unbilled revenue</td>
<td>1,719,967</td>
<td>1,393,363</td>
</tr>
<tr>
<td></td>
<td>2,381,686</td>
<td>1,849,931</td>
</tr>
</tbody>
</table>

23. Finance lease receivables

<table>
<thead>
<tr>
<th>Amounts receivable under finance lease</th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>254,288</td>
<td>47,302</td>
</tr>
<tr>
<td>Between 2 and 5 years</td>
<td>625,879</td>
<td>189,206</td>
</tr>
<tr>
<td>Less: future finance income</td>
<td>762,909</td>
<td>700,476</td>
</tr>
<tr>
<td>Allowances for uncollectible lease payments</td>
<td>1,401,872</td>
<td>199,749</td>
</tr>
<tr>
<td></td>
<td>1,401,872</td>
<td>199,749</td>
</tr>
</tbody>
</table>

6&6 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 from 4.0% to 6.5% per annum (2021: 6.5% per annum).

24. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2022 AED’000</th>
<th>2021 AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintained in UAE</td>
<td>25,508,121</td>
<td>23,544,580</td>
</tr>
<tr>
<td>Maintained overseas, unrestricted in use</td>
<td>717,467</td>
<td>4,958,828</td>
</tr>
<tr>
<td>Maintained overseas, restricted in use</td>
<td>23,899,428</td>
<td>71,964</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>32,839,482</td>
<td>28,575,372</td>
</tr>
<tr>
<td>Less: Deposits with maturities exceeding three months from the date of deposit</td>
<td>2,390,215</td>
<td>11,863,852</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,202,195</td>
<td>19,911,520</td>
</tr>
</tbody>
</table>
25. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal royalty</td>
<td>5,770,780</td>
<td>5,541,492</td>
</tr>
<tr>
<td>Trade payables</td>
<td>6,532,655</td>
<td>6,036,526</td>
</tr>
<tr>
<td>Amounts due to other telecommunication administrators</td>
<td>3,487,096</td>
<td>3,045,623</td>
</tr>
<tr>
<td>Accruals</td>
<td>8,645,615</td>
<td>8,770,678</td>
</tr>
<tr>
<td>Other taxes payable</td>
<td>1,716,611</td>
<td>1,876,610</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>354,993</td>
<td>355,462</td>
</tr>
<tr>
<td>Deferred income</td>
<td>189,218</td>
<td>304,418</td>
</tr>
<tr>
<td>Funds payable and amounts due to customers</td>
<td>2,038,522</td>
<td>1,994,989</td>
</tr>
<tr>
<td>Other payables</td>
<td>1,719,314</td>
<td>1,736,106</td>
</tr>
<tr>
<td><strong>At 31 December</strong></td>
<td>30,583,955</td>
<td>28,701,904</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables and accruals</td>
<td>1,247,240</td>
<td>1,365,500</td>
</tr>
<tr>
<td><strong>At 31 December</strong></td>
<td>1,247,240</td>
<td>1,365,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenues</td>
<td>2,788,395</td>
<td>2,894,341</td>
</tr>
<tr>
<td>Material right / customer loyalty</td>
<td>233,326</td>
<td>122,415</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,919,712</td>
<td>3,016,756</td>
</tr>
</tbody>
</table>

27. Borrowings

Details of e&’s bank and other borrowings are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022 AED'000</td>
<td>2021 AED'000</td>
</tr>
<tr>
<td><strong>Bank borrowings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term bank borrowings</td>
<td>4,973,756</td>
<td>4,703,535</td>
</tr>
<tr>
<td>Bank loans</td>
<td>28,218,229</td>
<td>8,254,816</td>
</tr>
<tr>
<td><strong>Other borrowings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td>9,498,213</td>
<td>11,706,214</td>
</tr>
<tr>
<td>Vendor financing</td>
<td>234,563</td>
<td>248,785</td>
</tr>
<tr>
<td>Others</td>
<td>5,454</td>
<td>1,510</td>
</tr>
<tr>
<td><strong>Advance from non-controlling interests</strong></td>
<td>42,986,205</td>
<td>42,986,205</td>
</tr>
</tbody>
</table>

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.
Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2022

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:

<table>
<thead>
<tr>
<th>Nominal Value</th>
<th>Fair Value</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.500% US dollar 500 million notes due 2024</td>
<td>1,836,250</td>
<td>1,802,757</td>
</tr>
<tr>
<td>Bonds in net investment hedge relationship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.375% Euro 500 million notes due 2028</td>
<td>1,959,503</td>
<td>1,654,584</td>
</tr>
<tr>
<td>0.875% Euro 500 million notes due 2033</td>
<td>1,959,503</td>
<td>1,447,641</td>
</tr>
<tr>
<td>2.750% Euro 1,200 million notes due 2026</td>
<td>4,702,806</td>
<td>4,593,231</td>
</tr>
</tbody>
</table>

At 31 December 2022

<table>
<thead>
<tr>
<th>Nominal Value</th>
<th>Fair Value</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,458,062</td>
<td>9,498,213</td>
<td>10,374,199</td>
</tr>
<tr>
<td>of which due after 12 months</td>
<td>-</td>
<td>10,374,199</td>
</tr>
</tbody>
</table>

The terms and conditions of e&’s bank and other borrowings are as follows:

<table>
<thead>
<tr>
<th>Year of last repayment</th>
<th>Currency</th>
<th>Interest rate</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Variable interest borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023</td>
<td>USD</td>
<td>SOFR + .35%</td>
<td>16,148,070</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2025</td>
<td>AED</td>
<td>EIBOR 3M + 0.45%</td>
<td>5,465,808</td>
</tr>
<tr>
<td>Secured bank loans</td>
<td>2023-2026</td>
<td>USD</td>
<td>3M LIBOR and 1.7% to 2.05%</td>
<td>659,309</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023</td>
<td>EGP</td>
<td>Lending Corridor minus 0.5% to 0.5%</td>
<td>369,099</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2024</td>
<td>USD</td>
<td>3 Month Libor + 0.9%</td>
<td>26,058,177</td>
</tr>
<tr>
<td>Unsecured vendor financing</td>
<td>2023</td>
<td>PKR</td>
<td>6.43% to 9.34%</td>
<td>267,444</td>
</tr>
<tr>
<td>Unsecured vendor financing</td>
<td>2022</td>
<td>EGP</td>
<td>Mid corridor</td>
<td>4,422,088</td>
</tr>
<tr>
<td>Secured bank loans</td>
<td>2023</td>
<td>PKR</td>
<td>KIBOR+0.05% to 1.5%</td>
<td>80,772</td>
</tr>
<tr>
<td>Secured short term bank borrowings</td>
<td>2023</td>
<td>PKR</td>
<td>3 Month KIBOR+(0.0% to 0.85%)</td>
<td>438,957</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2027</td>
<td>EGP</td>
<td>Lending Corridor plus 0.15% to 0.50%</td>
<td>255,866</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2024</td>
<td>AED</td>
<td>KIBOR +0.55%</td>
<td>1,984,076</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2024</td>
<td>PKR</td>
<td>KIBOR-0.1% &amp; 1 Month KIBOR- 1%</td>
<td>39,399</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2027</td>
<td>PKR</td>
<td>6 Month KIBOR+(0.65% to 3.5%)</td>
<td>53,837</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2024</td>
<td>PKR</td>
<td>1 Month KIBOR+(0.85%)</td>
<td>329,013</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2029</td>
<td>PKR</td>
<td>3 Month KIBOR+(0.15% to 0.70%)</td>
<td>1,047,469</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2024-2025</td>
<td>PKR</td>
<td>6 Month KIBOR -1% to +3.5%</td>
<td>22,889</td>
</tr>
<tr>
<td>Fixed interest borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured short term bank borrowings</td>
<td>2023</td>
<td>MAD</td>
<td>3.16% to 3.5%</td>
<td>3,109,170</td>
</tr>
<tr>
<td>Unsecured short term bank borrowings</td>
<td>2023</td>
<td>FCFA</td>
<td>5.25%</td>
<td>38,090</td>
</tr>
<tr>
<td>Unsecured short term bank borrowings</td>
<td>2024</td>
<td>FCFA</td>
<td>5.5% - 6.5%</td>
<td>118,556</td>
</tr>
<tr>
<td>Unsecured short term bank borrowings</td>
<td>2023</td>
<td>PKR</td>
<td>6.65%</td>
<td>60,050</td>
</tr>
<tr>
<td>Unsecured short term bank borrowings</td>
<td>2023</td>
<td>FCFA</td>
<td>6% to 8.5%</td>
<td>650,929</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2030</td>
<td>FCFA</td>
<td>6% to 7.25%</td>
<td>327,177</td>
</tr>
<tr>
<td>Secured bank loans</td>
<td>2023-2030</td>
<td>FCFA</td>
<td>5.5% to 8%</td>
<td>680,346</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2027</td>
<td>FCFA</td>
<td>0% to 7%</td>
<td>814,877</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>2023-2027</td>
<td>PKR</td>
<td>0.95% to 16%</td>
<td>1,081,353</td>
</tr>
<tr>
<td>Other borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance from non-controlling interest</td>
<td>N/A</td>
<td>USD</td>
<td>Interest free</td>
<td>542,276</td>
</tr>
<tr>
<td>Unsecured bonds</td>
<td>2024</td>
<td>USD</td>
<td>3.5%</td>
<td>1,830,761</td>
</tr>
<tr>
<td>Unsecured bonds</td>
<td>2026</td>
<td>EUR</td>
<td>2.8%</td>
<td>4,666,882</td>
</tr>
<tr>
<td>Unsecured bonds</td>
<td>2028</td>
<td>EUR</td>
<td>0.375%</td>
<td>1,950,381</td>
</tr>
<tr>
<td>Unsecured bonds</td>
<td>2023</td>
<td>EUR</td>
<td>0.875%</td>
<td>1,920,196</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td>296,893</td>
<td>1,091,457</td>
</tr>
<tr>
<td>Total Borrowings</td>
<td>47,954,209</td>
<td>25,732,285</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>At 31 December 2022</th>
<th>Current AED'000</th>
<th>Non-current AED'000</th>
<th>Total AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlantique Telecom S.A.</td>
<td>11,022</td>
<td>-</td>
<td>11,022</td>
</tr>
<tr>
<td>Help AG</td>
<td>-</td>
<td>770,898</td>
<td>770,898</td>
</tr>
<tr>
<td>Licenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Peregrine Holdings Limited</td>
<td>-</td>
<td>4,760</td>
<td>4,760</td>
</tr>
<tr>
<td>PTCL Group</td>
<td>2,164</td>
<td>233,065</td>
<td>235,229</td>
</tr>
<tr>
<td></td>
<td>13,886</td>
<td>302,250</td>
<td>316,136</td>
</tr>
<tr>
<td>At 31 December 2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlantique Telecom S.A.</td>
<td>11,022</td>
<td>-</td>
<td>11,022</td>
</tr>
<tr>
<td>Help AG</td>
<td>-</td>
<td>75,096</td>
<td>75,096</td>
</tr>
<tr>
<td>Licenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PTCL Group</td>
<td>100,250</td>
<td>538,099</td>
<td>638,349</td>
</tr>
<tr>
<td></td>
<td>111,272</td>
<td>512,945</td>
<td>624,217</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Carrying Value</th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual undiscounted cash flow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>693,973</td>
<td>694,840</td>
</tr>
<tr>
<td>Between 2 and 5 years</td>
<td>1,919,223</td>
<td>1,756,965</td>
</tr>
<tr>
<td>After 5 years</td>
<td>1,879,824</td>
<td>2,072,210</td>
</tr>
<tr>
<td>Total undiscounted lease liabilities</td>
<td>4,493,020</td>
<td>4,364,015</td>
</tr>
<tr>
<td>Lease liabilities included in the consolidated statement of financial position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which due within 12 months</td>
<td>542,233</td>
<td>544,777</td>
</tr>
<tr>
<td>of which due after 12 months</td>
<td>2,602,977</td>
<td>2,109,273</td>
</tr>
</tbody>
</table>

---

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 as follows:

<table>
<thead>
<tr>
<th>Effective part directly recognized in other comprehensive (loss) / income</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other comprehensive income / (loss) on net investment hedge</td>
<td>545,895</td>
<td>762,797</td>
</tr>
<tr>
<td>Other comprehensive income / (loss) on cash flow hedges</td>
<td>200,770</td>
<td>97,490</td>
</tr>
<tr>
<td>Total effective part directly recognised in other comprehensive income / (loss)</td>
<td>755,065</td>
<td>880,287</td>
</tr>
</tbody>
</table>

Fair value of derivative financial instruments

| Fair value of forward contracts and options | 47,047 | 93,024 |
| Fair value of derivative swaps | 164,530 | 144,516 |
| Total | 211,577 | (35,489) |

These derivative financial instruments are included as follows in the consolidated statement of financial position:

<table>
<thead>
<tr>
<th>Carrying Value</th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>3,357</td>
<td>-</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>204,220</td>
<td>5,171</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>40,660</td>
</tr>
<tr>
<td>Total net amount</td>
<td>211,577</td>
<td>(35,489)</td>
</tr>
</tbody>
</table>
30. Lease liabilities (continued)

It is Eti's 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 Eti's lease obligations is approximately equal to their carrying value.

Amounts recognized in profit or loss

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on lease liabilities</td>
<td>274,404</td>
<td>249,099</td>
</tr>
<tr>
<td>Expenses relating to short-term leases</td>
<td>6,693</td>
<td>7,822</td>
</tr>
</tbody>
</table>

Amounts recognized in the statement of cash flow

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash outflow from leases</td>
<td>707,205</td>
<td>714,931</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on lease liabilities</td>
<td>274,404</td>
<td>249,099</td>
</tr>
<tr>
<td>Expenses relating to short-term leases</td>
<td>6,693</td>
<td>7,822</td>
</tr>
</tbody>
</table>

32. Provision for employees’ end of service benefits

The movement in defined benefit obligations for funded and unfunded plans is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset retirement obligations</td>
<td>257,937</td>
<td>4,470,181</td>
</tr>
<tr>
<td>Other</td>
<td>39,324</td>
<td>527,880</td>
</tr>
<tr>
<td>Total</td>
<td>297,261</td>
<td>4,997,961</td>
</tr>
</tbody>
</table>

At 1 January 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional provision during the year</td>
<td>39,324</td>
<td>527,880</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>5,366</td>
<td>490,833</td>
</tr>
<tr>
<td>Release of provision</td>
<td>-68,222</td>
<td>-68,222</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>8,385</td>
<td>8,150</td>
</tr>
<tr>
<td>Total</td>
<td>25,067</td>
<td>4,737,932</td>
</tr>
</tbody>
</table>

At 31 December 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional provision during the year</td>
<td>51,314</td>
<td>1,183,762</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>1,023</td>
<td>415,158</td>
</tr>
<tr>
<td>Release of provision</td>
<td>-6,934</td>
<td>-6,934</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>9,066</td>
<td>4,499</td>
</tr>
<tr>
<td>Total</td>
<td>30,435</td>
<td>4,343,008</td>
</tr>
</tbody>
</table>

At 1 January 2022

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional provision during the year</td>
<td>8,519</td>
<td>1,368,762</td>
</tr>
<tr>
<td>Utilization of provision</td>
<td>2,163</td>
<td>415,935</td>
</tr>
<tr>
<td>Release of provision</td>
<td>-6,934</td>
<td>-6,934</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>9,668</td>
<td>4,499</td>
</tr>
<tr>
<td>Total</td>
<td>312,963</td>
<td>5,097,391</td>
</tr>
</tbody>
</table>

At 31 December 2022

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included in current liabilities</td>
<td>4,073,593</td>
<td>4,270,082</td>
</tr>
<tr>
<td>Included in non-current liabilities</td>
<td>304,635</td>
<td>72,926</td>
</tr>
<tr>
<td>Total</td>
<td>312,963</td>
<td>5,097,391</td>
</tr>
</tbody>
</table>

30. Lease liabilities (continued)

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, Eti 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, Eti 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.
The movement in the fair value of plan assets is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 January</td>
<td>2,749,724</td>
<td>2,921,615</td>
</tr>
<tr>
<td>Interest income</td>
<td>227,531</td>
<td>256,899</td>
</tr>
<tr>
<td>Return on plan assets excluding amounts included in interest income</td>
<td>43,153</td>
<td>9,958</td>
</tr>
<tr>
<td>Contributions received</td>
<td>21,723</td>
<td>18,494</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(177,706)</td>
<td>(194,842)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(623,402)</td>
<td>(262,320)</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>2,241,024</td>
<td>2,749,724</td>
</tr>
</tbody>
</table>

The amount recognised in the statement of profit or loss is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>19,564</td>
<td>90,652</td>
</tr>
<tr>
<td>Net interest cost</td>
<td>65,615</td>
<td>66,339</td>
</tr>
<tr>
<td></td>
<td>181,179</td>
<td>156,991</td>
</tr>
</tbody>
</table>

Plan assets for funded plan are comprised as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt instruments - unquoted</td>
<td>1,231,413</td>
<td>2,005,284</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>682,075</td>
<td>399,844</td>
</tr>
<tr>
<td>Investment property</td>
<td>200,783</td>
<td>259,328</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>145</td>
<td>148</td>
</tr>
<tr>
<td>Other assets</td>
<td>149,223</td>
<td>120,375</td>
</tr>
<tr>
<td>Less: liabilities</td>
<td>(22,625)</td>
<td>(29,255)</td>
</tr>
<tr>
<td></td>
<td>2,241,024</td>
<td>2,749,724</td>
</tr>
</tbody>
</table>

Following are the significant assumptions used relating to the major plans:

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>4.1% to 12.5%</td>
<td>2% to 12.5%</td>
</tr>
<tr>
<td>Average annual growth rate of salary</td>
<td>1% to 10.25%</td>
<td>1% to 11.25%</td>
</tr>
<tr>
<td>Average duration of obligation</td>
<td>5 Years to 20 Years</td>
<td>5 Years to 23 Years</td>
</tr>
<tr>
<td>Expected withdrawal rate</td>
<td>1) High; service based rate 2) Based on experience</td>
<td>1) High; service based rate 2) Based on experience</td>
</tr>
</tbody>
</table>

Mortality Rate | 0.33% | 0.33% | 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.

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>703,068</td>
<td>688,018</td>
<td>584,820</td>
<td>621,093</td>
</tr>
<tr>
<td>Average annual growth rate of salary</td>
<td>(578,750)</td>
<td>(547,142)</td>
<td>612,837</td>
<td>577,503</td>
</tr>
</tbody>
</table>

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 BB-, 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).
34. Reserves
The movement in the reserves is provided below:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January</td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>28,598,188</td>
<td>28,400,580</td>
</tr>
<tr>
<td>Transfer from retained earnings</td>
<td>42,100</td>
<td>124,406</td>
</tr>
<tr>
<td>Other movements</td>
<td>(368)</td>
<td>1,264</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>20,240,124</td>
<td>28,598,188</td>
</tr>
</tbody>
</table>

The movement for each type of reserves is provided below:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation reserve</td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>As at 1 January</td>
<td>(7,094,381)</td>
<td>(7,052,939)</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>(3,450,702)</td>
<td>(625,967)</td>
</tr>
<tr>
<td>Acquisition of non-controlling interests without a change in control</td>
<td>-</td>
<td>(188,272)</td>
</tr>
<tr>
<td>Gain / (loss) on hedging instruments designated in hedges of the net assets of foreign operations</td>
<td>545,895</td>
<td>782,797</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>(9,999,188)</td>
<td>(7,944,381)</td>
</tr>
<tr>
<td>Investment revaluation reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 January</td>
<td>44,079</td>
<td>38,434</td>
</tr>
<tr>
<td>Gain / (loss) on revaluation</td>
<td>5,736,057</td>
<td>4,401</td>
</tr>
<tr>
<td>Other movements</td>
<td>(26)</td>
<td>1,264</td>
</tr>
<tr>
<td>Transfer from investment revaluation reserve to retained earnings</td>
<td>(15,502)</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>(5,737,848)</td>
<td>44,079</td>
</tr>
<tr>
<td>Development reserve</td>
<td>7,850,000</td>
<td>7,850,000</td>
</tr>
<tr>
<td>Cash flow hedge reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 January</td>
<td>(5,409)</td>
<td>(160,388)</td>
</tr>
<tr>
<td>Gain / (loss) on revaluation</td>
<td>241,568</td>
<td>108,979</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>190,159</td>
<td>(51,409)</td>
</tr>
<tr>
<td>Asset replacement reserve</td>
<td>8,281,600</td>
<td>8,281,600</td>
</tr>
<tr>
<td>Statutory reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 January</td>
<td>5,473,544</td>
<td>5,349,138</td>
</tr>
<tr>
<td>Transfer from retained earnings</td>
<td>8702</td>
<td>124,406</td>
</tr>
<tr>
<td>As at 31 December</td>
<td>5,560,646</td>
<td>5,473,544</td>
</tr>
<tr>
<td>General reserve</td>
<td>14,094,756</td>
<td>14,094,756</td>
</tr>
</tbody>
</table>

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&i’s capital structure is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank borrowings</td>
<td>AED’000</td>
<td>AED’000</td>
</tr>
<tr>
<td>Bonds</td>
<td>(9,649,081)</td>
<td>(11,991,912)</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>(10,374,199)</td>
<td>(10,898,562)</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>(3,145,210)</td>
<td>(2,654,050)</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>32,839,482</td>
<td>28,575,372</td>
</tr>
<tr>
<td>Net funds</td>
<td>(18,259,937)</td>
<td>189,037</td>
</tr>
<tr>
<td>Total equity</td>
<td>49,999,100</td>
<td>57,563,822</td>
</tr>
</tbody>
</table>

The capital structure of E&i 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&i 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&i 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.
35. Financial instruments (continued)

**Categories of financial instruments**

e&'s financial assets and liabilities consist of the following:

<table>
<thead>
<tr>
<th>2022</th>
<th>AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
</tr>
<tr>
<td>Amortised cost financial assets:</td>
<td></td>
</tr>
<tr>
<td>Due from related parties</td>
<td>12,319</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>1,333,714</td>
</tr>
<tr>
<td>Trade and other receivables, excluding prepayments and advances to suppliers</td>
<td>14,220,012</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>32,839,482</td>
</tr>
<tr>
<td>Investment carried at amortised cost</td>
<td>3,069,252</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51,574,779</td>
</tr>
<tr>
<td>Financial assets carried at fair value through OCI</td>
<td>12,966,377</td>
</tr>
<tr>
<td>Fair value through profit or loss</td>
<td>2,087,018</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>66,628,174</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities held at amortised cost:</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables, excluding deferred revenue and advances from customers</td>
<td>31,286,984</td>
</tr>
<tr>
<td>Borrowings</td>
<td>47,954,209</td>
</tr>
<tr>
<td>Payables related to investments and licenses</td>
<td>315,936</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>3,145,210</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82,702,339</td>
</tr>
</tbody>
</table>

**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 its functional currencies including Egyptian Pounds, Pakistani Rupee, Afghani, and...
Emirates Telecommunications Group Company PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2022

35. Financial Instruments (continued)

Moroccan Dirham, Egyptian pounds, Pakistani rupees, Central African Franc and Pakistani rupees account for a significant portion of the impact of net profit, which is considered foreign currency sensitivity.

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.

<table>
<thead>
<tr>
<th>Currency</th>
<th>Impact on profit and loss 2022</th>
<th>Impact on equity 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egyptian pounds</td>
<td>AED 270</td>
<td>AED 29,147</td>
</tr>
<tr>
<td>Euro</td>
<td>AED (1,718)</td>
<td>AED (16,566)</td>
</tr>
<tr>
<td>Pakistani rupees</td>
<td>AED 327,060</td>
<td>AED 96,047</td>
</tr>
<tr>
<td>Moroccan Dirhams</td>
<td>AED 305,966</td>
<td>AED 340,334</td>
</tr>
<tr>
<td>Central African Franc</td>
<td>AED 218,527</td>
<td>AED 175,065</td>
</tr>
</tbody>
</table>

Interest rate risk
e&'s exposure to interest rate risk as entities in e&'s 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 derivative 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 436 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&'s exposure 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 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 counterparties 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 market place.

Group's bank balance

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in UAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>78%</td>
<td>62%</td>
</tr>
<tr>
<td>Investment outside of the UAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Bank rating for investment in UAE

<table>
<thead>
<tr>
<th>Rating</th>
<th>AED 2022</th>
<th>AED 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>A3</td>
<td>A3</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>A-</td>
<td>A-</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2022 AED'000</th>
<th>2021 AED'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowances on trade receivables and contract assets</td>
<td>75,787</td>
<td>906,530</td>
</tr>
<tr>
<td>Allowances on due from other telecommunication operators/carriers</td>
<td>4,704</td>
<td>139,556</td>
</tr>
<tr>
<td>Allowance on finance lease receivables</td>
<td>4,479</td>
<td>23,025</td>
</tr>
<tr>
<td>Total loss on allowances</td>
<td>803,470</td>
<td>1,069,210</td>
</tr>
</tbody>
</table>
35. Financial Instruments (continued)

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

d) Fair value measurement of financial assets and liabilities

The table includes both interest and principal cash flows. 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

Financial liabilities are repayable as follows:

- On demand or within one year: AED'000 30,039,744 23,049,092 13,686 693,973 - 54,696,495
- In the second year: AED'000 880,846 7,898,726 21,274 470,441 121,441 3,390,075
- In the third to fifth years inclusive: AED'000 328,085 12,681,711 284,286 1,468,762 54,566 14,799,432
- After the fifth year: AED'000 36,829 4,771,625 1,970,824 - 6,078,758

As At 31 December 2022: AED'000 31,286,984 48,707,154 319,248 4,493,020 176,007 84,982,413

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

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As At 31 December 2022: AED'000 31,286,984 48,707,154 319,248 4,493,020 176,007 84,982,413

The carrying amounts of the other financial assets and liabilities recorded in the consolidated financial statements approximate their fair values.

- Trade and other payables include deferred revenue and advances from customers

   *Trade and other payables exclude deferred revenue and advances from customers

   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 ed'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 is provided below:

   • Borrowings are measured and recorded in the consolidated 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 590 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.
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

<table>
<thead>
<tr>
<th>Performance bonds and guarantees in relation to contracts</th>
<th>AED million 2022</th>
<th>AED million 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies Overseas investments</td>
<td>3,343</td>
<td>3,292</td>
</tr>
</tbody>
</table>

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"). 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 not entitled to any losses claimed by the shareholders.

38. Dividends
Amounts recognised as distribution to equity holders:

<table>
<thead>
<tr>
<th>AED’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim dividend for the year ended 31 December 2021 of AED 0.40 per share</td>
</tr>
<tr>
<td>Final dividend for the year ended 31 December 2020 of AED 0.40 per share</td>
</tr>
<tr>
<td>One-time special dividend for the year ended 31 December 2020 of AED 0.40 per share</td>
</tr>
<tr>
<td>Total dividend paid during the year</td>
</tr>
</tbody>
</table>

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.
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%. 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).

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. Acquisition of Digital Financial Services LLC (DFS)

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%.
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.
About this report

e& launches its fifth annual sustainability report, highlighting the company’s activities and performance in the environmental, social, and governance aspects of sustainability. It aims to address and provide a glimpse of its sustainability performance and the overall impact of its activities. Motivated to enhance the digital revolution, it further works towards strengthening the integration of environmental, social, and governance (ESG) topics with its overall vision and objective to create a positive impact on society.

Reporting Period
This report covers the calendar year 2022, from January 1st to December 31st, and focuses on activities during that time. Information from previous years is provided where necessary.

Reporting Guidelines
This report has been prepared in accordance with the 2021 GRI standards.

Report Boundary
This report covers e&’s operations in the United Arab Emirates. e& welcomes your feedback on this report and our performance. Feel free to email us at: sustainability@eand.com

Cautionary Message
This report contains forward-looking statements that express the way in which e& intends to conduct its future activities. These statements may include terminology such as “plans,” “aims,” “assumes,” “continues,” “believes,” or any variations of such words that express certain actions that may be taken in the future. e& has made every effort to ensure the report is as accurate and truthful as possible. However, by their nature, forward-looking statements contain inherent risks and, uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond e&’s ability to control and therefore, do not represent a guarantee that the events implied in these forward-looking statements will actually occur.
Sustainability is at the core of everything e& does. e& strives to operate responsibly and transparently by living its inspiration for ‘Make Possible’. e& is committed to having a positive impact on its communities while at the same time maintaining sustainable success.

e& aims to be a sustainability leader in the market by integrating sustainability into its internal systems and processes. We are constantly adapting and evolving to become a catalyst for change in the world around us, diversifying and deepening our efforts across all our business verticals to ensure that we contribute positively to national and global ESG ambitions such as the UNSDGs and key global climate agreements.

e& is embarking on a progressive roadmap to monitor, benchmark, and continuously enhance its governance, environmental and social performance.
Stakeholder Engagement

Stakeholders have a key role to play in setting the course and defining the actions of a business. A crucial component of any mature sustainability approach is stakeholder engagement.

At e&, understanding the views and concerns of e&’s diverse stakeholders, who inform our business practices and corporate priorities, is considered vital. We regularly engage with our key stakeholder groups, represented in the diagram below, to help shape and drive our sustainability strategy. Through various communication channels, we listen to and seek feedback from the stakeholders who are affected by our business.

Sustainability Framework

To conceptualise sustainability, e& relies on its sustainability framework for defining and managing the environmental, social and economic impacts.

e&’s framework has five key pillars: Securing a digital future for all, Maintaining ethical and transparent business practices, Diverse, inclusive and ethical employer, Low carbon operations and helping the world decarbonise, Giving back to the society.

e& plans to enhance its five key themes to better integrate its sustainability strategy with its broader vision of “Spearheading digital transformation and connectivity for a sustainable and inclusive future for all”.

At e& we believe technology and connectivity are right at the centre of a future that is good for the planet, creates a better life for all, and brings cohesion and trust within societies. We aim to play a significant role in this ‘digital revolution.’

The aim is to build a more comprehensive and better aligned sustainability strategy that:

- Continues to contribute towards national and global ESG ambitions such as Sustainable Development Goals and climate agreements
- Drives the digital transformation of society and enhances the penetration of digital skills and infrastructure
- Attracts and retains ‘sustainability conscious’ capital providers, talent, and consumers
- Effectively forecasts, manages, and mitigates evolving ESG risks
- Steers rapid digital transformation within the economy to help other sectors decarbonise and meet ESG ambitions

e& believes that an effective framework, supported by progressive improvement programmes, will help the company achieve its strategic business objectives. This report contains information about e&’s disclosure and progress in each of these areas. e& has grouped its material topics into the five pillars of e&’s sustainability framework.
**Alignment with Standards**

The telecom sector faces many specific ESG issues, particularly relating to social and environmental aspects of the business. If not properly managed, these risks can result in significant financial regulatory, and reputational impacts. e& recognises its role in the industry to deliver meaningful contributions to national and international standards and sustainability priorities.

e&’s sustainability report provides a comprehensive view of its sustainability approach and performance for the current fiscal year. e& discloses its ESG or sustainability performance in line with the GRI Standards: Core option, Sustainability Accounting Standards Board’s (SASB) Sustainability Accounting Standards, Standards, and the United Nations Sustainable Development Goals (SDGs). This is over and above its national level commitments and policies including the Abu Dhabi Securities Exchange (ADX) Environment, Social and Governance (ESG) Disclosure Guidelines for listed companies, and UAE and Abu Dhabi Government initiatives and declarations such as UAE Vision 2031, UAE Principles for the Next 50 and UAE Net Zero Plan 2050, and the Abu Dhabi Economic Vision 2030. These standards provide the world’s most widely used frameworks for sustainability reporting and offer a structured format to comprehensively share information about material issues, performance metrics, and the management of sustainability-related topics within the organisation. e& reaffirmed its ESG commitments by joining the World Economic Forum’s (WEF) Stakeholder Capitalism Metrics, joining more than 100 global companies that are aligning their performance reporting with environmental, social and governance (ESG) indicators and consistently tracking their contributions to the United Nations Sustainable Development Goals (SDGs).

Building on the Paris Agreement and the subsequent Glasgow Climate Pact, drafted at the 2021 United Nations Climate Change Conference (COP26), and the UAE’s commitments to unlock opportunities in climate action, reduce emissions, progress clean energy sources, and preserve the wealth of mangroves, the importance of accelerated action to tackle the climate crisis through collaboration among stakeholders is emphasised within the organisation.

The ICT industry is faced with a great responsibility to meet increased demand for data and digital services while meeting its obligations to curb carbon emissions. We have joined the commitment to achieve net zero emissions by 2050, as per the Paris Agreement. e& closely follows the guidelines from the International Telecommunication Union (ITU) state with the aim to reduce emissions by 2030, as detailed in the ITU Standard L.1470 (“GHG emissions trajectories for the ICT sector compatible with the UNFCCC Paris Agreement”). Also, in line with the GSMA’s sustainability assessment framework, e&’s stated Scope 1 and 2 emissions sources are comprehensive and representative of the emissions mapping of a typical telecommunications operator.

On an international level, the company continues to liaise with the GSMA and the UNGC to enable technology and digital capabilities at a mass level to further enable digital access and inclusion, delivering a collective impact on society.

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### Our Contribution to the UAE Vision

e& has aligned its sustainability plans and efforts to support these ambitious goals. It is done to ensure the sustainable development of a robust economy and a motivated society.

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Key indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNITED IN PROSPERITY</strong></td>
<td>Digital transformation and innovation</td>
</tr>
<tr>
<td>Sustainable Environment and Infrastructure</td>
<td>Forward Ecosystem</td>
</tr>
<tr>
<td>World-Class Healthcare</td>
<td>one of the top 10 countries globally in the quality of healthcare</td>
</tr>
<tr>
<td>First-Rate Education System</td>
<td>Forward Economy (aligns with Empowering people as is focused on improving human capital)</td>
</tr>
<tr>
<td><strong>UNITED IN KNOWLEDGE</strong></td>
<td>Digital transformation and innovation</td>
</tr>
<tr>
<td>Competitive Knowledge Economy</td>
<td>Forward Economy</td>
</tr>
<tr>
<td><strong>UNITED IN RESPONSIBILITY</strong></td>
<td>Digital transformation and innovation</td>
</tr>
<tr>
<td>Cohesive Society and Preserved Identity</td>
<td>Forward Society</td>
</tr>
<tr>
<td></td>
<td>Forward Diplomacy</td>
</tr>
</tbody>
</table>

---

*UAE 2021* *UAE 2031* *e& commitments as per its sustainability framework*
e& acknowledges the need to play its part in transitioning towards a more sustainable future, recognises the interconnection between the 17 SDGs, meaning that one action can result in multiple outcomes, and is committed to supporting the SDGs. The company aims to ensure its business practises are in line with the goals, operating in a manner that positively contributes to the goals.
To create a more sustainable economy, e& is dedicated to driving digital innovation in the marketplace. It seeks to fulfill the changing demands of stakeholders through sustainable digital innovation and empowers them to realize their objectives.
Customer Privacy & Data Security

In recognition of the significance of information security, e& management has made it a strategic goal to safeguard the privacy of its clients and protect their personal data. To help customers understand how their personal information is handled by e&, it has developed a privacy policy. A specific section on consumer privacy is included in e&’s Code of Conduct.

e& has established a data protection programme. The data protection policy and customer privacy policy are developed and approved by the management and are established in line with the UAE data protection law 45.

To ensure compliance, e& has several privacy and security KPIs set across the various domains and departments, however, the main KPIs include:

• Maintaining 100 percent security defences and controls uptime
• Maintaining minimum time to respond and close critical security incidents
• Maintaining zero successful security attacks and breaches that could impact e& business (such as revenue loss, reputation impact, and service availability)
• Maintaining zero open critical and high-severity vulnerabilities
• Zero number of systems acquired/launched without security compliance
• Maintaining a minimum of 90 percent security patch coverage

Key highlights

• All business and consumer information secured through ISO 27001:2013 standard
• Zero cyber-attacks and data breaches since 2018
• Business continuity management systems maintained in accordance with ISO 22301:2019 standard
• Monthly security training sessions performed by Help AG on topics including data privacy and protection

etisalat UAE has implemented several controls to ensure customer data protection and privacy. Examples of controls are (but are not limited to):

• Data encryption for users’ laptops and removable media devices (USB)
• Media sanitisation (degaussing) for erasing the data from the expired storage media (hard disks)
• Data leak prevention across all data transfer channels (web, email, and removable devices such as USBs and DVDs)
• Data masking (scrambling the sensitive fields in the testing data)
• Information classification - Business information is categorised into four categories: Restricted, Confidential, Internal and Public
• File integrity monitoring (for accessing or changing any sensitive data)
• Strong passwords and multi-factor authentication using fingerprint devices and tokens
• Advanced Threat Protection to prevent data exfiltration
• Privilege Access Management
• Mobile Device Management
• Identity Governance and Access Management to manage the end-to-end lifecycle of all etisalat UAE user accounts
• Secure network access using multi-factor authentication to protect users’ data while using Microsoft Public Cloud services (Office 365)

There are no cases to report on Data Privacy issues.

- Best Cyber Security Provider – MEA Finance
- Best Managed Security Services Provider of the Year – GEC Awards 2022 and Champions of the Channel (Channel Insights)
- etisalat by e& crowned as the strongest telecom brand in the world and became the first brand from the MEA region to achieve this global recognition by Brand Finance among 500 global brands
- Network security control for accessing the personal information of etisalat by e& outsourced employees on Oracle Public Cloud services using web applications and layer seven firewalls
- Data tokenisation for PII on the IT Big Data platform
- Adoption of virtual desktops for staff and vendor access
- Established a Red team to detect and mitigate vulnerabilities and threats in the etisalat by e& UAE ecosystem
- Deployed a mobile signalling firewall to protect etisalat by e& UAE mobile network from different types of signalling attacks emerging from more than 1,000 mobile global operators
Governance on privacy and data security

Information security steering committee

The Chief Executive Officer of etisalat by e& UAE chairs the Information Security Steering Committee and provides guidance and support to the committee’s members. The role of the e& Chief Technology and Information Officer (CTIO) includes the approval of IT security budgets to enhance the security infrastructure and guide the security team in implementing new projects and initiatives. The CTIO oversees all technology and technological resources and establishes the company’s technology vision, strategies, and growth plans as well as approves new security training and awareness programmes for IT and Engineering staff and established IT and Technology governance programmes to promote information security in alignment with the e& corporate governance objectives. The CTIO is ultimately responsible for ensuring that all corporate and business projects and new systems are including and incorporating the required security controls as per the best security practices.

The e& Cyber Security Advisory Board comprises members at the CXO level of the concerned technical and business departments; it is responsible for setting, aligning and monitoring security initiatives, and security performance indices and approves security strategy and policies. The Security Steering Committee Working Group includes subject matter experts as members from the concerned departments who discuss the progress of security initiatives and challenges to safeguard customers’ data on a quarterly basis.

Moreover, a Data Protection Officer has been appointed who is responsible for planning, implementing and maintaining a data protection programme within Help AG in line with UAE data protection law, including maintaining an inventory of data processing activities, conducting impact assessments, managing data breach incidents, and acting as a point of contact for the data controller, processor, data subjects and address their inquiries related to e& enterprise’s cyber security arm Help AG’s data processing activities. Furthermore, a cyber security compliance manager has been inducted and is responsible for planning, implementing, and maintaining an information security programme/management system that is integrated with Help AG processes.

Employees who fail to comply with privacy policies and requirements face disciplinary action. The data protection policy is clearly stated in the Code of Conduct and its disciplinary measures regarding employee personal conduct and disciplinary actions are clearly stated in the human Resources (HR) manual. The significant aspects of these documents are publicly available on the corporate website. There are no cases to report on data privacy issues.

e& ensures clear and transparent communication with all customers. Each customer reviews the terms and conditions outlined within their respective contracts prior to proceeding with any requests, changes, account creations or any other account modifications. e& employees are trained to explain all the terms and conditions to ensure full visibility of agreements with customers prior to signing any agreements. All agreements are filed on the e& system and a customer copy is shared electronically with the customer. Staff-customer interactions are recorded and monitored to ensure that all employees abide by the e& rules, regulations, and standard operating processes.
e& has various Information Security policies related to cyber security, physical security, network security, and people, governed by the Information Security Steering Committee, which are reviewed on a regular basis.

The steering committee has developed a series of security policies covering all security domains to support e&’s operations and ensure the protection of information assets in terms of confidentiality, integrity, and availability. The Steering Committee has developed 36 security policies covering all the security domains to enable e&’s business and ensure the protection of the information assets in terms of confidentiality, integrity, and availability. In terms of data protection and customer privacy, e& has the following 13 policies in place:

- Security Policies
- Information Security Policy Statement
- Notable Achievements
- Security Steering Committee
- Business Continuity Management
- Security Compliances
- Information Security Incident Management
- Business Continuity Management
- Security Compliances
- Information Security Incident Management
- Physical & Environmental Security
- Operational Security
- Communications Security
- System Acquisition, Development & Maintenance
- Supplier Relationships
- Cryptography
- Access Control
- Asset Management
- Human Resources Security
- Information Security Organization & Framework

As part of the data sovereignty policy, e&’s smart security solutions division mandates that all customer data shall be stored within the UAE country borders. On this front, etisalat by e& partnered with Oracle to store all its customers’ data in established public cloud data centres, in the UAE, in line with the data sovereignty mandate of the UAE. e& also joined forces with Mubadala-owned artificial intelligence services provider G42 and signed an agreement to merge its data centre services to create the UAE’s largest data centre provider in an effort to cater to the rising digital requirements.

e& has implemented several controls to ensure customer data protection and privacy maintenance such as advanced threat protection, email anti-phishing, i.e., Domain-Based Message Authentication, Reporting, and Conformance (DMARC), privilege access management and mobile device management. e& also has an agreement in place with Telefonica across several technological domains, including cyber security, to transfer knowledge and technological advancements.

**Engagements with Local and International Organisations**

Etisalat by e& has cyber security engagements and cooperation agreements with several local and international organisations:

- Setup a collaboration platform with the local telecom provider to exchange emerging cyber threats and assist in resolving complex cyber security issues.
- Established the Bug Bounty Platform in collaboration with the UAE Cyber Security Council to allow crowdsourcing of more than 1,000 white hat hackers for testing and improving organisation cyber security.
- Etisalat by e& UAE was instrumental in achieving the Guinness World Record for conducting the largest Bug Bounty Programme hosted by the Cyber Security Council.
- Collaborated with Microsoft’s digital crime unit (DCU) to further strengthen digital security in the region to meet the fast-growing demand for threat intelligence.
- Established a vendor security council with multiple vendors to collaborate and expedite the remediation of critical and high vulnerabilities to enhance etisalat by e& UAE security posture.

**Notable Achievements**

- **Tokenisation:** Implemented a data tokenisation solution to reduce the risk of unauthorised access to PII data.
- **Identity Governance Access Management (IGAM):** Implemented an IGAM solution to protect etisalat UAE assets from potential data breaches and unauthorised network changes that can steal sensitive data and conduct malicious activities in the network.
- **Mobile Firewall (MFW):** Implemented mobile signalling firewalls to protect all etisalat by e& UAE mobile roaming subscribers from various potential threats and attacks emerging from more than 1,000 mobile operators.
- **Launched Security As A Service offerings for VVIP customers to secure and mitigate cyber threats**

**Information Security Policy Statement**

Help AG, the cyber security arm of e& enterprise and the Middle East’s trusted security advisor, is committed to achieving a high level of information security and assurance against the consequences of breaches of confidentiality, failures of integrity, or interruptions to the availability of Help AG and client information systems and data. The following KPIs are measured and reviewed on regular basis with the information security steering committee:

1. Ensuring that information-related business operations continue to be carried out securely in line with ISO 27001:2013 standard
2. Ensuring the confidentiality of information of customers and employees
3. Ensuring the availability of information to all interested parties
4. Successful management of Help AG’s information assets
5. Successful management of information security risks
6. Enhancing information security awareness among Help AG employees
7. Ensuring that security breaches and information security incidents are managed effectively
Every year, the number of attempted cyber-attacks continues to decrease, whereas the actual number of cyber-attacks and data breaches remained at zero over the past four years. This attests to e&'s processes and to the stringent measures in place to protect customer information and combat cyber-attacks.

Help AG conducts internal and external VAPT assessments, social engineering campaigns, red teaming campaigns and DR drills and tabletop exercises at least on a bi-yearly basis to evaluate the security of the company’s IT infrastructure and detect possible risks and vulnerabilities. Help AG has conducted two social engineering and red teaming campaigns in 2022 to measure the users’ awareness in spotting illegitimate emails and reporting them. Help AG has also conducted awareness campaigns of the implemented management systems of ISO 27001 and ISO 22301.

Help AG performs biannual VAPT assessments for its internal infrastructure and externally hosted services, to detect any vulnerabilities or weakness in its systems. Regular drills are also performed for disaster recovery and business continuity focus on critical services and systems. The rehearsals also include cyber security scenarios that simulate massive virus outbreak, phishing attacks, etc.

Increased and more sophisticated cyber-attacks, along with keeping informed and updated with new laws and regulations are two of the key challenges faced by e&. To timely monitor and report on cases concerning breaches of customer privacy, Help AG’s 24x7 SOC detects and reports cyber-attacks in a timely manner that safeguards Help AG’s infrastructure and services.
Sustainability

Security Training and Awareness

e& provides employees with specialised training regarding privacy, including data protection, cyber security, information security, hacking and cloud computing. Employees are made aware of information security guidelines and compliance. e& takes disciplinary action against employees who violate customer and data privacy.

Each year, e& conducts various awareness security campaigns its staff across the UAE, including the annual security roadshow which involves external security experts, regular awareness-raising communication for e& employees regarding data protection and security measures and the early warning awareness messaging for global and international cyber security incidents. e& also conducts site visits to workplaces to assess the staff security awareness and compliance, offers a learning management system for cyber security training to staff and implements a system for simulating email phishing attacks to measure the level of user security awareness and response across e&. Each year, e& offers various training courses and certification programmes for all employees across both technical and non-technical areas, including:

- **Digital Academy** – offering security data, operation and maintenance training, penetration testing and ethical hacking, security architecture, and governance risk and compliance (GRC).
- **External security training courses** – e&’s IT security team regularly participates in external security training to enhance skills and knowledge to strengthen its infrastructure and develop its workforce.
- **Cyber Security Awareness Session – For Youth (ages 12-19)** for the children of etisalat by e& UAE employees to guide them on how to protect themselves from prevailing cyber threats.
- **E-learning Management System** – offering cyber security foundations, information security awareness and e-learning programmes including quizzes and prizes distributed to winners.
- **E-learning IQra System** – offering e& employees a wide range of cyber security courses, security best practices and entertaining yet knowledge-sharing crossword puzzles.
Customer Satisfaction

Our primary objective in 2022 has been to provide superior customer experience and position etisalat by e& as a provider of digital experiences, by expanding our portfolio of digital services and offering unique, best in value, solo and bundled propositions to address each customer segment’s telecom and lifestyle needs.

Our success is best reflected in customers’ growing preference for etisalat by e& as reflected in both our financial and customer satisfaction results.

etisalat by e& works tirelessly to exceed customers’ expectations, always striving to simplify processes to serve our customers better, provide multiple channels for convenient access to services, and attend to customers’ needs in a timely manner.

The Customer Experience (CX) Committee is dedicated to enhancing the customer experience. e& Chief Executive Officers (CXOs) serve on the committee which weekly reviews customer related project. e& sets targets against key performance indicators (KPIs) related to customers’ segments, touchpoints, processes and systems and technologies to continually improve performance and customer satisfaction.

To ensure our offerings address our customer’s needs, the product and segment marketing team continuously analyses global telecom trends, customer usage behaviour and sales performance analytics to design and update new and existing features.

Frontline sales staff undergo regular training to ensure that best practices are followed and implemented.

etisalat by e& developed a ‘customer feedback management system’ which tracks and monitors the customer experience and satisfaction across its touch points, including customer care, retail sales, digital apps, website, and technical performance. Feedback is collected via SMS, email, or website pop-up survey. All customers are requested to share their feedback on their interaction, along with general comments and recommendations, so that we can improve and meet our customers’ expectations.

etisalat by e& customer-facing staff such as sales agents are not only trained to explore customer needs and requirements; but are also equipped with AI-powered tools that recommend best-fit products, offers and services, providing unique and personalised experiences for e&’s customers.
etisalat by e& 24x7 outlets at UAE airports

To provide round-the-clock access to the retail channel, etisalat by e& operates 24x7 outlets at airports in Dubai (Terminals 1, 2, 3), Abu Dhabi, and Sharjah.

These outlets cater to visitors and UAE residents who can avail of a wide range of services, including new subscriptions, SIM replacements, etc., whenever required.

Digital Stores

etisalat by e& offers customers a more personalised experience in retail stores. The next-generation digital concept stores incorporate multiple digital touchpoints, empowering customers to explore and subscribe to e&’s products and services.

These stores allow our customers to undertake end-to-end transactions digitally while enjoying a unique shopping experience via our latest digital touchpoints.

Turning the store from its traditional standard setup of fixed counters into a new experience built on mobility is a real breakthrough in the retail telecom industry and breaking conventional boundaries.
**Sustainability**

Addressing Customer Issues

Customers can raise their issues/complaints through multiple digital and traditional communication channels, to match their personal preferences. Channels include retail, inbound voice calls and non-voice.

Complaints are classified into three categories: technical, billing and customer service. For each complaint category, there are standard operating procedures to be followed as per the nature of the issue. In all cases, the resolution is communicated back to the customer, and once satisfied, the complaint is closed in our complaints tracking system.

**The ways to resolve customer complaints are as follows:**

- **Introduction of WhatsApp as a channel of care**
  - WhatsApp Care is launched in 2022 with the aim to provide customers accessibility and mobility to inquire and manage their accounts and services including billing, account management, request tracking, products & services inquiry and raising of a complaint. This newly launched channel is powered by AI chat and has the highest success rate among other channels using the same AI capabilities.

- **Customer assistance via mobile app:**
  - Customer Care follows a strategy to educate customers to use 'My Etisalat' mobile app to complete requests such as add and delete data, eLife shifting, rate plans migration, or new eLife. The hybrid model acts as guidance for how to use the app, assisting customers with their requests, handhold them using the mobile application to complete their requests and sending them a deep link via SMS for easy access.

- **Enhance the methods of attending to fixed and mobile technical complaints**

- **A number of initiatives were rolled out to enhance the logics built on Motive (Etisalat by e&'s Automated Diagnoses and Healing Platform) to increase the percentage of FCR and remote resolution. These included the introduction of additional props and firmware that allow for remote monitoring and fixing of technical gaps.**

- **Change the operating model in customer care to allow better FCR.**

- **Several initiatives were implemented due to the change in the operating model of complaint handling such as multi-skilling of advisors to handle both mobile and fixed services, up-skilling of advisors with back-office skills, increase the accessibility to more tools used by back-office advisors, and the introduction of engineering on-call escalation office thus avoiding delayed attendance and increased remote resolution incidents.**

- **Enhance roles and responsibilities of customer care command centre**

- **The responsibilities of customer care command centre are expanded to include digital applications and self-serve channels. This helps proactively attend to possible technical glitches in different applications and channels used by the customers thus preventing or fast tracking the attendance to platforms commonly used by large number of customers.**

- **Happiness Scale:**
  - Because we think that customers should have their questions answered and their requests fulfilled in a way that makes them happy, by going the extra mile to serve them better and faster, we modified the quality score sheet to focus on OCR and customer happiness. The focus on the customer satisfaction and providing resolution from the initial call led to a good improvement in the customer experience across all sections, with email improving by 36 percent.
Responsible Marketing Communications

Product Service & Quality

To achieve high standards of service and quality we continuously push for enhancements in the e& network. To cater to the growing customer base, we invested in new base stations, advanced technologies, and amped network capacity. Performance improvement & quality assurance management system successfully achieved recertification for ISO 9001:2015 certification for Quality Management Systems. e& is also certified for the Telecom Quality Management System (TL 9000) which is a unique extension to the ISO 9001:2015 certification and covers additional supply chain quality requirements of the global industry. The quality management system is the fundamental concept of all other management systems, accordingly etisalat by e& has established, maintained, and implemented its quality management system in line with the international standard the ISO 9001:2015 which covers almost 50 percent of etisalat by e& certification programme including 14 critical functions and business units as of December 2022.

e& is SAP-certified for infrastructure and cloud services. In addition, the e& IT business unit is certified against ISO 27001:2013 for information security management system. We also comply with the Payment Card Industry Data Security Standard (PCI DSS) across the e& data centres, in addition to etisalat payment gateway, payment machine, IVR and self-assisted services (SAS). We are ISO 20000-1: 2018 certified for IT Service Management Systems. The e& Data Centres are ranked Tier III for Gold Operational Sustainability Certification. e& has a state-of-the-art Service Operation Centre (SOC), along with Unified Network Operation Centre (UNOC) that monitors telecom services provided to customers, along with the underlying infrastructure. The SOC provides immediate solutions in case of service interruption or degradation.

Furthermore, e& is currently working on the renewal of its World Teleport Association (WTA- Tier IV) full certification for Tawi-Al-Saman earth station, considering scope expansion of the certificate to include Jebel Ali Earth Station. This remarkable achievement has put e& in a pioneering position to be the first Earth Station to achieve Tier IV full WTA certification in the Middle East and North Africa (MENA) region. The e& data centres undergo regular audits against the International Auditing and Assurance Standards Board (IAASB) ISAE 3402 Type II audits. The audit assesses e&’s control objectives and activities including information technology and related processes to ensure the effectiveness of the implementation of all control systems. The e& Product Development Division has been driving the transformation of a full and agile product and service development approach for business services with all concerned stakeholders and cross-functional teams within the organisation. For each product or service full experience and customer journeys and commercial use cases, covering different scenarios and life cycles, are developed, and implemented. The division ensures end-to-end extensive testing of the quality of all newly launched product/services.

Our top product brands have embedded responsible and sustainable manufacturing and production processes across their supply chain.
**Sales Centre of Excellence**

Sales Centre of Excellence (COE) has been established across the UAE where highly qualified trainers manage the learning programmes for the sales team. It is a state-of-the-art recruitment and training centre where the required resources are available on demand to recruit and train frontline agents for all sales channels. The centralised operation contains a variety of training setups and retail counter and device simulations to build knowledge, skills and confidence in the trainees to effectively interact and perform with our customers. This includes highly effective and robust induction programmes for staff before they are deployed to the sales channels. The training induction programme is continuously reviewed and adjusted to incorporate practical scenarios based on new consumer behaviours exhibited by capitalising on the versatile training centre environment. The delivery of the training programmes is conducted entirely in-house by the sales training team and the training modules are developed in-house with a combination of external support.

The learning content is updated regularly in light of the ever-changing dynamics of the business; real-life examples and role-plays are an integral part of the curriculum to maximise the effectiveness of the learning programmes. The COE team leverages digital technology and new all-in-one e-learning solutions such as our own iQra platform that transformed the learning experience by providing easy access to a vast array of learning content. The digital self-driven learning approach has greatly facilitated the learning process for the frontline team members and now accounts for two-thirds of the learning frontline training.

**Responsibility Marketing**

Customer centricity is embedded into the design of e&’s products and services. All customer segments are considered when new products and services are developed. We analyse trends, behaviours and sales performance when creating new products and services or when updating existing ones. The e& corporate strategy retains the digitally fuelled inspiration for ‘Make Possible’. Customer centricity remained the main priority during the sharpening up of the customer journey frameworks and the website revamp, which resulted in significant enhancements in customer satisfaction.

**Smiles app**

etisalat by e& was one of the first telecom operators in the region to launch a rewards programme in 2008 called the Etisalat MORE Rewards programme. Since then, the rewards programme has metamorphosed with changing times into a digital engagement programme with multiple partners on the platform delivered through a digital mobile app, now called the Smiles programme. Currently, there are more than 6,000 brands ranging from restaurants to retail to travel and hospitality on the platform. The new programme via the acquisition of eGrocer and its integration in Smiles via a “shop-in-shop” concept, allows a fully operational, Smiles-branded grocery experience for all UAE residents. It offers food delivery (launched in 2021) and grocery delivery (launched in 2022) services as well, allowing customers to earn and redeem points for their everyday needs. This programme offers a variety of offers and benefits to customers that go well beyond the telecom space – thus expanding the customer relationship to cover more than just the core services, covering all aspects of the customer’s daily lifestyle. The programme offers the ability to exchange reward points with other major loyalty programmes in UAE, via a home-grown blockchain solution which is considered an industry benchmark. The programme has also won several awards including the Bayut Award for the best discount programme in 2021, and the best loyalty programme award (Martech Power List Awards) in 2022.

**Acceleration of our efforts on delivering unmatched value via the launch of innovative propositions offering a blend of telco and digital benefits:**

- **Expansion of the ‘New Freedom’ portfolio of plans, via the introduction of non-stop data plans offering unlimited local data and flexi minutes**
- **Launch of content passes on post-paid, a new lifestyle bundle that offers customers dedicated data for their favourite content, including four categories: music, gaming, video and connect (for social media)**
- **Launch of Emirati Wasel, enabling our Emirati customers to create their own plan digitally with exclusive telecom and digital benefits**
- **Introduction of eLife Ultra, the next-generation portfolio of home internet plans, designed to meet UAE families’ home connectivity and digital needs. Within a few months after launch, “eLife Ultra” has become our flagship plan in consumer fixed connectivity.**
- **etisalat by e& and Samsung joined forces to unleash smart solutions in the UAE, with a master distribution agreement to cater to the new digital era and a one-stop shop for consumer and business smart devices and solutions**
- **etisalat by e& launched a platform to monetise its assets & inventories through digital advertising (eLife, DOOH, digital kiosks, applications, websites, and also telco audience monetisation – the first in the region)**
- **In key partnerships, etisalat by e& joined hands with Amazon to offer eero and Echo devices for the first time in the UAE**
- **e& universe was unveiled at Gitex Global 2022, as the first telco-owned metaverse experience in the region. Taking inspiration from the Emirates Mars Mission, “Hope Probe”, it created a virtual experience based on the red planet, Mars**
- **Placing the wellness of its customers as a top priority, etisalat by e& launched the first rewards-based, consumer fitness and wellness platform “GoWell”**
- **etisalat by e& launched the UAE’s first of its kind Easy Insurance, an innovative insurance platform offering digital services for auto, health and travel insurance.**
Strong governance, accountability, and transparency policies are crucial for including our supply chain and other stakeholders in the pursuit of shared sustainability goals. e& strongly moves ahead as a market leader by innovating and implementing the internal systems and processes to integrate with sustainability.
Ethics and Compliance

e& is fully committed to conducting its business operations in accordance with the highest standards of ethics and integrity, and in compliance with applicable legal and regulatory rules and standards.

Compliance

e& has a comprehensive ethics and compliance programme focused on ensuring we conduct business transparently and ethically underpinned by our updated e& Code of Conduct. This is supplemented with overarching e& Group Ethics and Compliance policies on Anti-Bribery and Anti-Corruption, Gifts, Entertainment and Hospitality, Conflicts of Interest and Third-Party Due Diligence.

The e& Ethics and Compliance programme provides assurance with applicable laws and regulations. Across the Group, a set of policies including the Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Gifts, Entertainment and Hospitality Policy, Conflicts of Interest Policy, and Due Diligence and Engagement Policy set the foundation of our Ethics and Compliance programme. We undertake regular risk assessments to ensure compliance with all UAE and international laws, rules and regulations that may be applicable.

e& has a Group Ethics and Compliance Steering Committee, which consists of 10 senior executives from across the business including the Group CEO and Group CFO.

e& has a comprehensive ethics and compliance programme focused on ensuring we conduct business transparently and ethically underpinned by our updated e& Code of Conduct. This is supplemented with overarching e& Group Ethics and Compliance policies on Anti-Bribery and Anti-Corruption, Gifts, Entertainment and Hospitality, Conflicts of Interest and Third-Party Due Diligence.

The Ethics and Compliance team provides necessary guidance to e& departments and employees on inquiries related to ethics and compliance topics and to ensure e& policies are accurately implemented across the organisation, we regularly conduct compliance reviews and anti-corruption risk assessments. The team also designs and updates policies and procedures, in addition to developing monitoring, control mechanisms, and training programmes, to ensure e&’s employees and third parties comply with ethical conduct.
We have a mandatory annual e-learning training for all e& employees on the Code of Conduct as well as Anti-Bribery and Anti-Corruption. In addition to conducting regular awareness communication campaigns on a range of ethics and compliance topics including, Anti-Bribery and Anti-Corruption, Gifts and Hospitality and Conflicts of Interest. Over the last year, we also provided targeted training to high-risk business units on Anti-Bribery and Anti-Corruption and Gifts, Entertainment and Hospitality matters.

e& also marked International Anti-Corruption Day on 9 December 2022 by organising the fifth e& Annual Compliance Day. The annual event brought together employees from across the business to listen and interact with three external renowned compliance industry experts and thought leaders on compliance, business ethics and legal topics. This well attended webinar featured highlights from our 2022 compliance program including the launch of the Code of Conduct, and a vibrant audience led Q&A on a whole host of topical issues. The webinar recording was also added to our internal training platform iQra to be used for future awareness and training.

**Code of Conduct**

In 2022, we developed an updated Code of Conduct to raise awareness of ethical business conduct and signal both internally and externally, our tangible commitment to Making Good Possible. e&’s Code of Conduct is communicated to all employees and is made publicly available on the Group’s eand.com website. The Code of Conduct covers important topics not limited to bullying and harassment, bribery and corruption, gifts, entertainment and hospitality, conflict of interest, money laundering and human rights et al. The Code of Conduct requires compliance from all stakeholders working for and with e&, independent of their role, rank/responsibility stakeholders in their day-to-day operations and is a call to action that will preserve the trust that our customers and society place with us.

All employees are required to demonstrate their commitment to compliance by attesting to having read and understood the Code of Conduct each year. We also conduct an annual online Code of Conduct awareness campaign which aims to educate all our employees on our values and behavioural requirements within the Code of Conduct.

**Anti-corruption**

e& has zero tolerance for corruption or bribery and is committed to maintaining an effective compliance programme to address bribery and corruption risks.

The risks identified are very similar to those a typical company of e&’s size faces operating in the telecom industry in our jurisdiction. All identified risks are properly mitigated, and respective controls are put in place to ensure that such risks do not materialise.

e& commits to ensuring zero reported instances of bribery and corruption by 2024. This commitment aims to reduce legal liabilities and reputational impacts. In 2022, we completed a comprehensive anti-bribery and anti-corruption risk assessment to identify any potential risks related to bribery and corruption. At e&, there are several robust internal policies and procedures aimed at preventing corruption. The company’s commitment to combat corruption and bribery is reflected not only in the Code of Conduct, but also in the Anti-Bribery and Anti-Corruption Policy, Gifts, Entertainment and Hospitality Policy, Conflicts of Interest Policy, and Due Diligence and Engagement Policy. The Anti-Bribery and Anti-Corruption Policy confirms e&’s compliance to applicable local and international anti-bribery and anti-corruption laws and standards. As a UAE listed company, e& adheres to the UAE Penal Code (Federal Law No.3/1987) and regulations that aim to prevent any sort of bribery and corruption. In 2022, the company conducted an ISO gap assessment audit exercise with an independent external company to support our preparations for the process of obtaining ISO 37001 certification for our internal Anti-Bribery Management Systems. This demonstrates the importance e& places on ensuring we conduct business ethically and transparently.

The company communicates its Code of Conduct and anti-corruption policies, standards and procedures on its internal website. These policies, standards and procedures are further communicated to all e& employees on an annual basis as well as to those business partners who have been assessed as posing more than a low risk of bribery.
e& has in place a mandatory anti-bribery and anti-corruption training programme focusing on ethical business conduct. By end of 2022, 88 percent of all full-time e& Group employees have completed this training. Further, the Ethics and Compliance team works with high-risk business units to improve their controls and train employees in these business units to heighten their awareness of bribery and corruption risks.

To mitigate the risks associated with corporate gifting and entertainment, we have put in place a Gifts, Entertainment and Hospitality Register, with the requirement for all employees to transparently log requests to obtain management and Group Ethics and Compliance approval in order to offer or accept gifts, entertainment, or hospitality. To ensure familiarity with our values and internal policies, all new employees joining e& are required to undertake compliance training and sign our internal acknowledgement and disclosure statement, which requires them to disclose any conflict-of-interest issues they may have. This disclosure statement also includes compliance clauses strictly prohibiting our employees to commit or partake in any form of bribery and corruption. e& strives to work only with ethical business partners and requires any potential business partners to meet the standards of all applicable laws and regulations as well as abiding by e&'s ethical business principles.

Non-discrimination

e& commits to ensuring that all employees work in a safe environment free from discrimination and that all employees treat everyone with whom they have contact with dignity, courtesy and respect. This commitment aims to reduce legal liabilities and reputational impacts.

Anti-competitive Practices

e& promotes fair competition and is committed to combatting anti-competitive practices and behaviour in line with applicable legislations and regulations. In 2021, no claims were raised against the company for anti-competitive behaviour, anti-trust, or monopoly practices.

In addition to the training and awareness sessions provided to staff as part of the compliance governance framework, e& also conducts mandatory tailored awareness sessions and knowledge-based learning covering competition topics in line with fair competition policies, practices, and procedures which cover the full spectrum of the legal and regulatory landscape.

Whistleblowing Policy

e&’s whistleblowing process monitors and reports any potential non-compliance incidents. It is a formal anonymous whistle-blowing system with legal protection.

The process promotes openness in the workplace and encourages employees to report instances of unethical behaviour, actual or suspected fraud, and violation of e&’s policies, processes. The received information is categorised to better understand the types of inquiries and complaints, the sources, and their frequency. In turn, this enables an appropriate and timely recommendation or remediation strategy.

The process is outlined within the e& Whistleblowing Policy.

Employees are encouraged to report on issues such as financial or non-financial maladministration or malpractice or fraud that has been or is likely to be committed, unethical behaviour, misuse of authority, leakage of confidential information, non-compliance with laws and regulations, favouring a specific supplier/contractor, discrimination against any member of staff or customers on grounds of sex, race, or nationality.

e& has in place a mandatory anti-bribery and anti-corruption training programme focusing on ethical business conduct. In 2022, a total of 69 incident reports were received by the ERM and Internal Audit department through the whistleblowing channels, compared to 59 received in 2021 and 52 received in 2020. A total of 35 cases (52 percent) were received by the legal department through an internal monitoring system.
Business Continuity & Enterprise Risk Management

Substantial reduction and avoidance of fines

There is a 50 percent reduction in number of fines (from 10 to 5) and a 50 percent reduction in financial fines (from AED3.4mn to AED1.7mn) compared to 2021: etisalat by e& extended significant efforts to ensure working in compliance with the regulatory framework in different areas.

ICT indicators and global indexes

RA reporting on ICT statistics and indicators to TDRA for submission to ITU with increased accuracy of submitted data which enhanced UAE’s global rankings in the areas of international bandwidth, fixed BB subscription and mobile price basket indicators and overall ICT and digital ranking. UAE ranked #1 in mobile internet speed, 2nd globally in internet utilisation, 1st globally in internet user social media in the TDRA UAE digital lifestyle report. The Telecom Infrastructure Index (TII) as part of the United Nations E-Government Survey 2022 has been published on 28th September, where UAE ranked number 1 in the region and number 9 globally (top ten globally). etisalat by e& is continuously digitally transforming the mobile registration process to enhance the customer experience by authenticating mobile customers through UAE Pass and facial recognition instead of visiting etisalat by e& business centres.

Risk management governance structure

To enhance our risk oversight in line with the Emirates Securities and Commodities Authority (SCA) regulations, the Board established a Risk Committee dedicated to risk management activities, which was previously part of the Audit Committee’s functions.

The Board delegates the ownership and responsibility for operating risk management and control to the e& CEO and senior management. e& also enhanced governance through the constitution of a Group Enterprise Risk Management Committee (ERMC), with the objective of further improving the coordination and standardisation of risk management activities across all our activities and operations. The Group ERMC is chaired by the GCEO. In support of the risk management mandate, the Group ERM team continuously engages with teams across the Group to maintain risk management practices in line with the Board-approved governance structures. Significant risks at each of the business verticals, along with any new and emerging risks, are reviewed on a quarterly basis at the respective ERMC meetings. Each ERMC meets quarterly to review important risk-related information, such as updates to the risk landscape or the status of action plans or key risk indicators. A consolidated risk profile is tabled at the Group ERMC encompassing a view of the main risk themes reported across all business verticals, for onward distribution at the Risk Committee of the Board.

The Risk Appetite Framework provides an overview of the implementation of risk appetite and associated tolerances across e& Group. This framework is aligned to and should be read in conjunction with the ERM Framework and the Risk Charter as approved by the Risk Committee.

RA reporting on ICT statistics and indicators to TDRA for submission to ITU with increased accuracy of submitted data which enhanced UAE’s global rankings in the areas of international bandwidth, fixed BB subscription and mobile price basket indicators and overall ICT and digital ranking. UAE ranked #1 in mobile internet speed, 2nd globally in internet utilisation, 1st globally in internet user social media in the TDRA UAE digital lifestyle report. The Telecom Infrastructure Index (TII) as part of the United Nations E-Government Survey 2022 has been published on 28th September, where UAE ranked number 1 in the region and number 9 globally (top ten globally). etisalat by e& is continuously digitally transforming the mobile registration process to enhance the customer experience by authenticating mobile customers through UAE Pass and facial recognition instead of visiting etisalat by e& business centres.

The ERM function provides management and the risk committees with reasonable assurance that the significant risks affecting the organisation are identified, assessed and where appropriate, mitigated. It allows management and risk committees to increase efficiency and effectiveness of operations, assist in decision-making and create greater risk awareness. Further, e&’s annual internal audit plans are aligned with the top risks to ensure adequate assurance is provided in the fiscal year. The annual internal plan is reviewed and updated regularly through a formal process to address any changes to the organisation’s risk profile.
As a global technology and investment conglomerate, e& operates in a highly regulated, competitive and rapidly evolving environment. The unprecedented uncertainties in the external environment compounded by the execution of the Group’s strategy and its focus to grow adjacent businesses by investing significantly to maximise returns from the digital economy, meant that the Group’s risk landscape became increasingly more complex. Additionally, as with any organisation, we face risks from external factors such as geopolitical threats, macroeconomic and regulatory environment, competition, etc. along with risks originating from our operations such as service disruptions, cyber security, forex exposures, etc. The management in collaboration with Group ERM team defines the mitigation actions to ensure that the residual exposures from principal risks that the Group faces are within the approved risk appetite.

In 2022, e& categorised the principal risks into systemic, strategic and operational according to the level of influence it can exercise being systemic risks those over which it can have little control and operational risks those areas where it would expect to find detailed policies and procedures. The company successfully navigated these risks through proactive scanning of risk horizons, implementing and monitoring mitigation strategies and reducing risk exposures in accordance with its risk management and governance framework.

### Systemic risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>How it might impact us</th>
<th>Our approach to managing it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geopolitical threats</td>
<td>Ongoing geopolitical uncertainty poses continuous challenges.</td>
<td>Local expertise and knowledge are being leveraged to combat these challenges. The security of local employees is also being proactively managed.</td>
</tr>
<tr>
<td>Global macroeconomic conditions</td>
<td>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.</td>
<td>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 adjusted as required.</td>
</tr>
<tr>
<td>Foreign exchange exposures</td>
<td>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.</td>
<td>Group Finance, supported by the OpCos, have established policies, procedures, and tools to monitor, manage and report such exposures. Constant analysis of current and future mitigation strategies is considered by the relevant governance committees, where innovative approaches to contain Group exposures are discussed.</td>
</tr>
<tr>
<td>Operational risk</td>
<td>Strategic risks</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td><strong>Risk</strong></td>
<td><strong>How it might impact us</strong></td>
<td><strong>Our approach to managing it</strong></td>
</tr>
<tr>
<td>Cyber security</td>
<td>The threat of external cyber-attacks across the Group network and IT infrastructure is ever-present.</td>
<td>Network and IT security teams proactively monitor activity across the Group’s networks to identify and mitigate possible cyber security 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.</td>
</tr>
<tr>
<td>Availability and quality of service</td>
<td>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.</td>
<td>Pricing competition by telecom operators</td>
</tr>
<tr>
<td>Data privacy and protection</td>
<td>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 reputation 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.</td>
<td>Regulatory pressures and uncertainties</td>
</tr>
<tr>
<td>Third-party exposures</td>
<td>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: a) business continuity failures in cases where there is reliance on third parties for critical processes; b) legal exposures due to non-compliance with laws and regulations; or c) security vulnerabilities and data loss because of substandard 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.</td>
<td>Climate related risks and opportunities</td>
</tr>
</tbody>
</table>
The Telecommunications and Digital Government Regulatory Authority (TDRA)

etisalat by e& has been engaged with the TDRA in relation to numerous projects relating to interconnection and infrastructure sharing, mobile registration, consumer protection, anti-spam, pricing approvals, etc. Use of digital technologies is an important part of etisalat by e&-TDRA interaction, for example in mobile registration (KYC).

TDRA continues to focus its compliance activities on SIM registration, consumer protection and experience, pricing, anti-spam, and fraud management, which is reflected in the activities of the licensees to manage these requirements. etisalat by e& also worked with the other licensed operator on wholesale regulatory projects, such as points of interconnection, and other access to infrastructure.

On May 17, 2022, TDRA organised a special event with the participation of the International Telecommunication Union (ITU), UAE government agencies, local and regional partners to commemorate World Telecommunication and Information Society Day, which focused on the theme “Digital technologies for older persons and healthy ageing”. At the event, Eng. Hassan Hussein from etisalat by e& spoke about the advantages and benefits that ICT offers to the elderly, the most significant of which is continuous social communication through video and audio calls, in addition to the safety and security elements that these technologies provide.

etisalat by e& operates, measures and controls to ensure that it operates in a legal and compliant way in relation to all rules and regulations that form part of the UAE telecoms regulatory framework. The aim is to ensure always that etisalat by e& staff across all departments are aware of and adhere to, the Telecommunications Digital Regulatory Authority (‘the TDRA’) telecoms regulatory obligations. Employees can report any potential breaches as part of these measures and controls. etisalat by e&’s regulatory and commercial functions cooperate on a continuous basis with cross-departmental teams dedicated to achieving ongoing regulatory compliance requirements stemming from the UAE telecoms regulatory framework.

In 2022, etisalat by e& continued to adhere to the controls and measures by the TDRA. TDRA reduced its issuance of total violation decisions from 10 to five cases in 2022. These violation decisions covered instances of non-compliance to (1) calls spoofing, (2) mobile registration, (3) and consumer protection regulations. The fines and settlements relating to these violations amounted to AED 1.7 million – a 50 percent reduction compared to the previous year. e& has dedicated teams that have addressed the violations to the satisfaction of the TDRA. This includes implementing adequate controls to eliminate recurrence of any such violations.

Telecommunications Regulatory Key Highlights and Achievements

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>100% in the TDRA audit for National Telecom Emergency Management Plan (NTEMP)</td>
<td>100% in Compliance to Critical Buildings Resilience and Security National Standard - conducted by TDRA</td>
<td>100% in e&amp;’s response to the unstable weather conditions in Fujairah - conducted by TDRA</td>
</tr>
<tr>
<td>2021</td>
<td>100%</td>
<td>100%</td>
<td>100% in e&amp;’s response to the outage in Al Ain - conducted by TDRA</td>
</tr>
<tr>
<td>2022</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The company’s regulatory and commercial functions operate on a continuous basis with cross-departmental teams dedicated to achieving ongoing regulatory compliance requirements to the UAE Regulatory Framework.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total amount of legal and regulatory fines and settlements (AED million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>36</td>
</tr>
<tr>
<td>2021</td>
<td>10</td>
</tr>
<tr>
<td>2022</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total amount of legal and regulatory fines and settlements (AED million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>13.4</td>
</tr>
<tr>
<td>2021</td>
<td>3.4</td>
</tr>
<tr>
<td>2022</td>
<td>1.7</td>
</tr>
</tbody>
</table>
**Sustainable supply chain**

e& is committed to maintaining a sustainable business model. Our supply chain is an essential aspect of our business model and business continuity. Therefore, we aim to maintain a strong and valuable relationship with our suppliers and vendors.

**e& Partner Recognition Award Ceremony**

Conducted e& Partner Recognition Award Ceremony wherein strategic and preferred suppliers were honoured and presented awards for certain categories.

**Supplier screening and risk assessment**

Procurement & Contracts Department has finalised an agreement for a Suppliers Risk Assessment and Due Diligence Tool. The tool mainly consists of an accurate and comprehensive global coverage database of risk entities and individuals (including but not limited to the risks related to human rights, ESG, discrimination, health and safety etc.) which allows e& to confidently make decisions on suppliers’ risk management.

The company aims to build a better relationship with suppliers and enhance suppliers’ understanding of ESG. To increase alignment, the company focuses to share knowledge and train 50 percent of tier 1 suppliers on ESG by 2023 and 100 percent of tier 1 suppliers on ESG by 2024.

**Local procurement**

As part of the supplier selection process, preference is given to local suppliers. e& aims to source locally whenever possible, in line with our commitment to positively contribute to the UAE Vision 2021. In 2022, total procurement spending amounted to AED 12.9 billion, of which 83 percent was spent on locally based suppliers. Majority of the suppliers that we deal with have a local presence. Moreover, at the time of registering suppliers, we segregate them based on the type of business (i.e. SMEs) and based on their products and services categorisation.

### Procurement (AED Billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount spent on local suppliers</th>
<th>Total Procurement Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>10.7</td>
<td>12.9</td>
</tr>
<tr>
<td>2021</td>
<td>8.6</td>
<td>10.5</td>
</tr>
<tr>
<td>2020</td>
<td>9.9</td>
<td>11.7</td>
</tr>
<tr>
<td>2019</td>
<td>11.3</td>
<td>11.2</td>
</tr>
<tr>
<td>2018</td>
<td>11.2</td>
<td>13.4</td>
</tr>
</tbody>
</table>

### Percent of total procurement spending on local suppliers

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>83%</td>
</tr>
<tr>
<td>2021</td>
<td>86%</td>
</tr>
<tr>
<td>2020</td>
<td>86%</td>
</tr>
<tr>
<td>2019</td>
<td>90%</td>
</tr>
<tr>
<td>2018</td>
<td>94%</td>
</tr>
</tbody>
</table>

**Supply chain management**

At e&, all current and future suppliers must comply with our Standard Instructions of Condition for e& Tenders (SICETs). There are three types of SICETs pertaining to different types of procurements and services:

- Supply Only
- Supply, Installation, Testing and Commissioning
- Construction and Structure

A system has been implemented to screen all new suppliers requesting registration against environmental, labour, and human right and ABAC risks. In Q2 of 2022, e&'s Code of Conduct for new supplier registration was implemented where it was mandatory for the new supplier to accept e&'s Suppliers' Code of Conduct prior to their registration with e&.

e& undertakes supplier risk assessment and due diligence to screen 100 percent of the registered suppliers against potential risks including environmental and social performance, labour practices, human rights etc. To maintain and strengthen our relationship with our strategic suppliers, and to assess any violations related to statutory requirements, we meet our strategic suppliers annually to discuss their performance on technical, commercial, environmental, and social dimensions, and to understand their impact and influence on the society.

The company assesses strategic suppliers based on different criteria in an annual supplier performance evaluation. Such criteria include size of business, quality of project and service performance, timeline on project, and compliance to e& terms and conditions. e& suppliers must comply with the anti-corruption practices as stated in our SICETs. Any breach in the practices would result in instant termination of the supplier contract with e&. The suppliers are expected to conform with all aspects to the laws, regulations, by-laws of all local and duly constituted authority. All the suppliers are evaluated by Evaluation and Negotiation Committee in which the criteria for evaluating and awarding the project to the supplier is based on the scope and nature of the job.

**Supplier audits and assessments**

We evaluate strategic suppliers taking into consideration their ongoing technical and commercial performance as well as the contractual and In-Country Value (ICV) score in line with the UAE government programme that aims to boost economic performance and support local industries by redirecting higher portions of public spending into the national economy. Furthermore, 100 percent of the strategic suppliers are assessed annually for performance evaluation based on different criteria including environmental impacts. Periodic meetings are also organised with the suppliers to meet and engage with them, and highlight the importance of economic, environmental, and social sustainability.

In 2022, e& has digitised the supplier risk assessment and supply chain due diligence process, where ESG risks will also be screened. As part of our environmental efforts towards resource conservation, we have automated several processes as part of our digitalisation and digital transformation journey.
Our commitment to health and safety in the workplace knows no bounds. We strive to uphold the highest standards of safety and abide by safe labour practices and applicable laws to ensure the wellbeing of all those in our orbit - our employees, contractors, suppliers, consultants, visitors, and partners. Our Health, Safety and Environmental (HSE) policy applies to all who enter the premises and its projects. Our HSE Management system is implemented as per the industry best practices national and international standards. All employees and third parties are expected to adhere to health and safety rules and report any violation of health and safety immediately, as expressed in our Code of Conduct.

We continue to implement and regularly update the Occupational Health and Safety Management System which has been developed in accordance with the ISO 45001:2018 requirements. All related policies and procedures related to ISO standard are available and implemented. We have ISO 14001:2015 for five high-rise building (HRBs), and we are planning to expand our EMS certification scope to cover all e& UAE. As part of the EMS scope expansion from five HRBs to 10 HRBs, supporting documentation work is done and the certification scope will be incorporated from year 2023.

Selected business units and facilities are certified against the Occupational Health and Safety Assessment Series (OHSAS) 18001/45001/integrated management system. As part of improving HSE documentation standards, we work closely with the business excellence team to benchmark ourselves against global industry standards.

We continued the implementation of the HSE Empowerment programme, with multiple associated projects, to revitalise the HSE function within different departments, and to bring the safety culture of e& to a new level. When an incident occurs within e&, an HSE team member will proceed to the location to assist the incident and arrange to make an investigation report, including root cause analyses, rectification, and lessons learnt.

e& has launched a first-of-its-kind HSE Centre of Excellence within its premises to raise HSE awareness and engagement among stakeholders. The Centre employs holograms, virtual reality, and augmented reality for training and collaboration. The facility is aimed at further elevating e&’s safety culture by improving preparedness towards emergency management and safety learning systems.

Key features of the HSE Centre of Excellence:
- Virtual firefighting by augmented reality
- VR Fire evacuation & associated training
- Exhibit & Experience Centre
- Self-sustained green space
- HSE digital library
- Hologram projection
- Tangible collaboration table with casting
- Optimised indoor air quality experience
- Pinnacle Prometric type assessment - Corporate
- HSE Certification programme

In 2022, no fatalities resulted from work-related injury, and the primary varieties of work-related injuries sustained by employees included physical injuries such as cuts. Other employees experienced work-related injuries in the form of slips, trips and falls, strains, cuts, collisions, and crashes, though no fatalities were reported.
We are committed to improving our employees’ awareness of heat stress prevention through frequent seminars, training sessions and campaigns addressing the definition, types, symptoms, and precautionary measures on heat stress, such as our Summer Safety campaign. In 2022, we achieved zero heat stress events for the third consecutive year. All site activities are controlled by the Permit to Work (PTW) system; therefore, permits are required before work is carried out on sites. Working at height, confined space entry, working with live equipment and under extreme weather work exposure are some of the major risks associated in telecom day-today activities. All personnel with a PTW must undergo training and regular toolbox talks to ensure that all work is carried out to the utmost safety levels. e&’s team of experts always perform the task/job safety analysis prior to the task, to present the most effective health and safety control measures to limit the hazard exposure.

We have started a mandatory health and safety training programme for all the staff in different levels which is being implemented successfully via iQra platform and HSE Centre of Excellence. For the first time ever, we came up with an HSE accreditation and certification programme (Pinnacle 1,2,3) for corporate permit users. This is expected to ensure the operational HSE standard and competence among all sorts of operations within e&.

All direct employees involved in physical activities are suitably and sufficiently provided with required PPEs. For our partners and contractors, it is their obligation to adhere to e&’s work-related PPE requirements, based on contractors’ safety compliance requirements.

Across the premises, there are active surveillance teams that monitor all ongoing activities to ensure that they are performed in accordance with the PTW conditions. All building facilities are fitted with fire protection and detection systems, which are regularly maintained and are subjected to audits and inspections.

The HSE team is responsible for carrying out inspections and audits for all critical facilities. As part of site visits and audits, we follow the Hazard Identification and Risk Assessment (HIRA) protocol. Any instances of non-conformance are communicated to the concerned stakeholders and reviewed until a resolution is made or the risk is brought down to an acceptable level.

We have enhanced/modified the version of HSE policy to cover all OPCOs and BUs and this will serve as a master level reference document.

e& conducted several awareness sessions to train employees to improve performance of health and safety systems. In 2022, 9,564 total training hours on health and safety were provided to employees, equating to 7.08 hours of HSE training per targeted employee, compared to 6.8 hours in 2021.
Employee wellness and wellbeing

We believe a healthier workforce translates into a more productive workforce, and the more we look after our employees, the more we can progress together. So, as we cautiously yet optimistically entered a post-pandemic phase, we focused on reducing sick days, stress, and burnout to increase happiness and productivity. Throughout the year, our teams curated thoughtful programmes and events and took several steps to ensure our employees continue to thrive.

We ensured our employees received the care and attention they needed throughout the year.

Partnering with top experts and brands from the health and lifestyle sector, we ran a series of events to offer complimentary medical screenings, consultations, and exclusive deals. Thousands of employees attended and took charge of their health. These sessions included free health screenings and informative talks related to physical and mental wellbeing. We continue to introduce new initiatives every year to ensure that the programme offers all our employees short, medium and long-term benefits.

Physical Health

We make sure excellent health care insurance is provided to all our employees to be able to look after themselves. We also ran multiple sessions on topics such as ‘Healthy habits in Ramadan’ and ‘Secrets of a healthy mind’ and arranged free onsite screenings for all employees.

For those who wish to participate and have a passion for sport, we also have the e& marathon, cycle races and other sporting activities like badminton and football, encouraging physical fitness but also allowing different departments to interact and work as a team.

<table>
<thead>
<tr>
<th>Health and safety</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Frequency of employees' occupational illness</td>
<td>%</td>
<td>2.5%</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>
Customer Health and Safety
Health and Safety was always a priority especially for the valued customer base, as well as the people and larger communities that the company serves. As such, all confirmed and potential risks are taken seriously. Customer complaints concerning product and services are managed by customer care. By policy, we are committed to assure the health and safety of its stakeholders from our operations.
Public apprehension around EME emissions from mobile devices and base station masts is rampant, despite a lack of evidence to support potential adverse health effects from mobile phone usage. At e&, we understand people’s worries and take our responsibility to communicate transparently and act in accordance with applicable laws in each jurisdiction we operate seriously.
Our telecom networks are built aligned with the TDRA guidelines on Non-Ionising Radiation Limits for Telecommunication Networks, which are in line with ICNIRP (International Commission of Non-Ionising Radiation Protection) guidelines in terms of Specific Absorption Rate (SAR). The compliance and EME documents are communicated to all employees and vendors and followed throughout installations. All products and services offered within e& are in compliance with regulatory requirements. We at HSE always insist that other stakeholders have ESMA RoHS in our custom-made appliances and equipment.
The electrical and electronic equipment (EEE) must be manufactured in line with the Emirates Authority for Standardisation and Metrology (ESMA) standards as well as the European Union’s Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive. This aims to prevent the risks posed to human health and the environment related to the management of electronic and electrical waste. By restricting the use of certain hazardous substances in EEE, and substituting with safer alternatives, we reduce the impact of our products and services and ensure the safety of our community.

WHO Guidance on Electromagnetic fields and public health
As stated on the WHO website “to date, the only health effect from radiofrequency (RF) fields identified in scientific reviews has been related to an increase in body temperature (> 1°C) from exposure at exceedingly high field intensity found only in certain industrial facilities, such as RF heaters.” The levels of RF exposure from base stations and wireless networks are so low that the temperature increases are insignificant and do not affect human health. As part of our campaigns to raise customer awareness of electromagnetic field exposure, e& participates in various local and international events.

Human Rights
e& is a UNGC signatory and upholds its support to the UNGC’s 10 principles that are derived from the Universal Declaration of Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
At e&, we take a hard-line stance on human rights violations in our supply chain. We will not tolerate any breach of our policies, and if any of our suppliers fail to take corrective action within the set timeline, we will have no choice but to end our business relationship with them. All the suppliers will go through a screening process which will include screening against human rights risk. This also requires suppliers to provide policies and procedures on child labour, the company continues to work on conducting a risk assessment on the significant risks for incidents of child labour and forced labour. To ensure the protection of human rights throughout our supply chain, we have outlined further details in our Supply Chain Management procedures.
Low carbon operations and helping the world decarbonise

Our Ambition

Our commitment to innovate and develop new and existing products that are more environmentally friendly is further supported by our drive to improve our processes and operations for better environmental efficiencies through energy and emissions, water use, and waste management.
e& commits to a net zero operation by 2030

e& has made great strides towards the goals of its sustainability strategy. During the Group’s participation in the 27th Conference of the Parties to the UNFCCC (COP27) in 2022, e& pledged its commitment to achieving net zero emissions from its own operations by 2030, while accelerating its efforts to contribute to global climate action, focusing on key initiatives to reduce its carbon footprint through improved energy efficiency and renewable energy sourcing, among other initiatives. e&’s climate action programme will be aligned with the Science Based Targets initiative (SBTi), a collaboration between the Carbon Disclosure Project, the United Nations Global Compact and the World Resources Institute, to set an emissions reduction trajectory between 2020 and 2030 for all Information and Communications Technology (ICT) sub-sectors. e&’s programme will set out a clear net zero carbon emissions roadmap for it to advance its sustainability initiatives that have a positive human impact on future plans and operations.

To reach net zero, e& is 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 (both hardware and software), increased use of renewable energy sources and carbon offsetting initiatives that are vital to achieve targets.

e& joins UICCA

In November 2022, e& also became the first UAE private sector entity to join the UAE Independent Climate Change Accelerators (UICCA), pledging its commitment and collaboration to UICCA’s mission to enable and energise an ecosystem of public and private entities that have shared values and a joint vision of building a sustainable future.

The strategic partnership marks e&’s stance as the first entity from the UAE’s private sector to join the UICCA. The move reaffirms the group’s commitment towards the climate action efforts led by the Group while supporting the transition to a greener economy.

UICCA is a non-partisan climate action entity that functions as a think tank, providing evidence-based policy recommendations on climate action to both the public and private sector. Working across sectors and industry groups UICCA will actively work to build industry coalitions to facilitate the region’s transition to a green economy through activities that stimulate GDP growth, increase job creation, and reinforce UAE’s position as a global hub for best practices in Environmental, Social and Governance (ESG).

e& launches FutureNow Sustainability Call

Inviting others to join in on the drive, e& enterprise by e&, launched FutureNow Sustainability, calling upon scale-ups from across the globe to be part of shaping a sustainable future in the UAE.

This sustainability challenge is a call to the public that builds on e&’s declaration of net zero targets by 2030 at the 27th UNFCCC Conference of the Parties (COP27) in Egypt, aiming to reduce carbon emissions across operations and accelerate efforts to contribute to global climate action by focusing on key initiatives to reduce its carbon footprint by prioritising energy efficiency and renewable energy supply.

Through the FutureNow Sustainability Call, e& strives to harness the ambition of scale-ups globally and tap into the technological solution talent in the market to develop cutting-edge sustainable solutions and reduce reliance on the country’s electricity grid at mobile sites.
Environment and Energy Management

As a leading technology and investment conglomerate, etisalat by e& is committed to managing its environmental impact and protecting natural resources.

etisalat by e&’s Environmental Management Policy is comprehensive and covers wide aspects of the environment, energy, water consumption, and waste generation. The policy is incorporated under the Health, Safety, and Environment (HSE) Policy and was most recently updated, signed, and authorised by the Group Chief Executive Officer (GCEO) and the Group Chief Operations Officer (GCOO) with effect from September 2022. The Environmental Management System (EMS) is in place to encourage internal collaboration among all teams to create initiatives that promote environmental protection.

Sixty percent of etisalat e&’s sites, offices and branches are ISO14001:2015 certified. Furthermore, etisalat by e& has established a corporate environmental management framework in line with the ISO 14001:2015 standard, along with leading best practises and applicable legal, regulatory, and other requirements. The framework is considered to extend the scope of implementation to cover all our offices, contact centres, data centres and standalone business centres. In 2022, etisalat by e& was re-certified for ISO 14001:2015 for five of its largest high-rise buildings and one data centre, including e& Head Office building A and B, Abu Dhabi, e& T&A building, Abu Dhabi, e& AlKifaf building, Dubai and e& Deira building, Dubai.

The company has achieved LEED certification for its Jebel Ali data centre (JADC) and is in the final steps to obtain Estidama certification.

e& has finalised the development of the management framework documentation for its energy management system in line with the international standards and best practices as part of its plan to obtain the ISO 50001:2018 certifications for energy management which demonstrates the company’s commitment to addressing its impact, conserving resources, and improving the bottom line through efficient energy management.

e& is also in the process of preparing the necessary documentation and processes to obtain ISO 50001 certifications for energy management to demonstrate the company’s commitment to addressing its impact, conserving resources, and improving the bottom line through efficient energy management.

etisalat e& is a member of climate action taskforce of the Global System for Mobile communications Association (GSMA).

GSMA and the taskforce are working together to move the mobile industry towards Net Zero carbon emissions, including creation of thought leadership and research on how mobile technologies support climate mitigation and adaptation. The climate action taskforce collaborates on the following topics:

1. Energy efficiency in mobile networks
2. Access to renewable energy for the mobile industry
3. Engaging with mobile industry suppliers on climate action
4. Improving the environmental sustainability of mobile devices and equipment
5. Using mobile connectivity to reduce carbon emissions through smart technologies

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Direct Energy Consumption (GJ)</th>
<th>Total Indirect Energy Consumption (GJ)</th>
<th>Total Energy Consumption (GJ)</th>
<th>Energy Intensity (GJ/ full time employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>497,904</td>
<td>2,299,379</td>
<td>2,806,705</td>
<td>681.90</td>
</tr>
<tr>
<td>2021</td>
<td>467,003</td>
<td>2,208,612</td>
<td>2,675,614</td>
<td>684.65</td>
</tr>
<tr>
<td>2020</td>
<td>364,011</td>
<td>3,429,967</td>
<td>3,793,978</td>
<td>969.58</td>
</tr>
<tr>
<td>2019</td>
<td>3,362,828</td>
<td></td>
<td>3,987,059</td>
<td>773.60</td>
</tr>
<tr>
<td>2018</td>
<td>3,987,059</td>
<td></td>
<td>3,450,053</td>
<td>894.16</td>
</tr>
</tbody>
</table>

GTSAE is a member of the Global System for Mobile communications Association (GSMA).
The total direct energy consumption increased by six percent to 497,904 GJ in 2022 from 467,003 GJ in the previous year, and the total indirect energy consumption increased by four percent to 2,299,379 GJ in 2022 from 2,208,612 GJ in 2021.

The total energy consumption accounts to 2,806,705 GJ and energy intensity ratio per full-time employee is 681.90 in 2022. The energy intensity ratio includes fuel, electricity and renewable energy as energy sources and uses energy consumption within the organisation.

Every year, there are regular environmental assessments conducted across the branches and masts against the etisalat by e& Environmental Management Policy. As in previous years, we participated in Earth Hour in 2022 by turning off the lights of our 10 high rise buildings (HRBs) located across the UAE. The high-rise buildings are also insulated to reduce heat in the summer. At the data centres, there is a containment solution to improve efficiency in cooling. Some of the data centres are also equipped with solar water heaters, Variable Frequency Drive (VFD)-driven cooling architecture, condensate water, and load optimised performance operation scheme on dynamic rotary uninterruptable power solutions. In 2022, diesel generators continued to be replace across several GSM sites with renewable energy sources from solar power. e& developed programmes and invested in sustainable networks to tackle climate change and energy conservation, and these were rolled out in 2022.

As of December 2022, etisalat by e& owns nine data centres, while the number of exchanges owned by the company increased to a total of 328. The number of base stations also increased to a total of 12,042 in 2022. Following its commitment to prioritise the use of clean energy sources such as solar energy and hybrid power systems, the company aims to reduce number of diesel generators running in the network, which is reflected in the year-on-year increase in total number of base stations powered by cleaner energy sources.
In 2022, we consumed a total of 2,617,234 KWH renewable energy. etisalat by e& focuses on the renewable energy initiatives at a corporate level as part of its ESG commitments. Additionally, below initiatives were implemented in 2022 to improve the environmental performance, reduce energy consumption and to reduce greenhouse gas emissions:

1. Installation of solar lights at external yards
2. Speeding the pace for installation of stand-alone solar power system at mobile sites
3. Advancing the installation process of on-grid solar system on rooftops and carparks

Environmental Conservation

etisalat by e& values, protects, and nurtures the biodiversity and ecological ecosystems in the regions where it operates and beyond. We are mindful of our actions and operations and determine to prevent negative impacts on the environment while continuously striving to extend our support where necessary.
etisalat by e& acknowledges that urgent action is needed to address climate change and is keen on playing its role in lessening its environmental impact. As a global technology and investment conglomerate, we recognise the fact we operate in an energy intensive sector, therefore, the company concentrates efforts to reduce energy consumption and implement initiatives that positively impact the environment.

A high-level climate risk study was conducted for the Group’s UAE operations which flagged a number of areas for improvement, leading to development of strategies and action plans to ensure etisalat by e& is able to fulfill its ambition and actively contribute to the reduction in carbon emissions with its 2030 Net Zero targets. Furthermore, in direct contribution towards announced corporate ambition, the company has established an emission reduction programme across functions to lower the overall operation related GHG emissions by 26 percent.

In 2022, there has been a slight increase in the total emissions (Scope 1 & Scope 2) compared to last year, largely due to indirect emissions (Scope 2) as a result of employees returning to the office after working remotely as well as increased operations. Direct emissions (Scope 1) for the year largely remained unchanged from the previous year.
Water Management

As a responsible and conscious corporate citizen, etisalat by e&amp; understands its role in conservation of water and strives to reduce its water consumption. Majority of the company’s operations are carried out in the water scarce regions, which further adds to the motivation to play a role and step our efforts to use water more effectively. In 2022, water consumption declined by 59 percent to 97,154 cubic metres compared to 237,609 cubic metres in 2021. Due to decrease in total water consumption, water consumption intensity per full-time employee also declined by 61 percent in 2022.

As part of the smart monitoring systems, faucets of all the high-rise buildings (HBRs) are equipped with aerators and sensor-based dispensing is enforced across all the company’s facilities to capture wastewater for recycling and re-use for irrigation. Our programmes are based on the environmental policy and comprehensively covers water conservation initiatives within the objectives of ISO 14001 standard.

Waste Management & Recycling

etisalat by e&amp; strives to minimise its impact on the environment by ensuring sustainable consumption in the use of material products, energy, and immaterial services. As part of the efforts to move towards a paperless environment, we have implemented many digitisation and automation initiatives including the switch of paper billing to digital copies as part of the “Go Digital” drive.

In accordance with the Montreal Protocol on Substances that Deplete the Ozone Layer, any remaining Halon system within the company are recovered and assigned for disposal as per the protocol. Expired fire extinguishers are also proper recycled by approved agents. In 2022, we continued 100 percent e-billing to its customers, hence paper consumption was significantly reduced as the company shifted towards the digitalisation of operations and processes.

In 2022, the total waste generated across the company increased by 72 percent to 707,455 kg from 194,979 kg in 2021 as many buildings underwent renovation and the company shifted to hybrid mode of work compared to remote work applied in 2021. etisalat by e&amp; invests in constant efforts to boost waste recycling by reusing equipment and by recycling various types of waste including network waste, IT equipment as well as other office waste. The company’s EMS cover waste management aspects which promote reduction of waste generation. Across its operations and activities, the main streams of waste generation include general waste, paper waste, electronic waste, ink cartridges, batteries and used oil. One hundred percent of paper waste is recycled. In sync with all the recycling efforts, total waste recycled in 2022 increased by 78 percent to 251,000 kg from 54,358 kg in 2021.

As part of the work instruction, the admin team operates in coordination with technology and central warehousing collecting department for disposing and recycling all types of hazardous and non-hazardous waste as per environmental best practices.

<table>
<thead>
<tr>
<th>Type of waste</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste disposed (kg)</td>
<td>95,000</td>
</tr>
</tbody>
</table>
| Non-hazardous waste disposed (kg) | 424,473 | 3,660
| Hazardous waste recycled (kg)  | 251,000  |
| Non-Hazardous waste recycled (kg) | 251,000 |
At e&, we are dedicated to bridging the gap between technology and communities across our footprint. We strive to empower and connect communities through advanced technological solutions, while simultaneously encouraging innovation and entrepreneurship among the younger generation. We are passionate about increasing our social impact and promoting the principles of humanity so that ambitions thrive across abilities and communities.
Digital Access and Inclusion

From technology to wellness, we strive to foster a culture of growth and progress in all the communities we serve. We provide equal opportunities, integrating our services into social systems and pushing the boundaries of modern technology. Our activities extend to the educational, social, cultural and employee well-being spheres, and we constantly encourage new ideas and creative thinking.

In accordance with the UAE's vision to make communication available to all, etisalat by e& customers can subscribe to Talking Bill, a voice bill service designed for the people of determination who could get their monthly bill over voice on their phone at no extra cost. Upon activation, customers will get automated calls from the following month onwards to explain the bill details of their account. The Talking Bill service is available in both English and Arabic, depending on the bill language preference.

The service will read out important charges such as total amount due, previous balance, amount paid, local and international calls, texts, data, international roaming, VAT, etc. It also offers customers the option of having the information repeated to them.

To make access even easier, we have designated parking spaces and ramps for people of determination in all our stores that are located in etisalat by e& buildings, and they will be given priority access (Masarrah) through the Queue Management System in all our stores.

The company is working with the GSMA and the UNGC on an international scale to use technology and digital capabilities to make digital access and inclusion available to the masses, and bring about a meaningful change in our world.

People of Determination & Elderly support

Our business centres and digital stores have been designed with people of determination in mind. We are offering priority for elderly customers and have installed designated washrooms, accessible parking, evac-chairs, and wheelchairs in all our stores that located in etisalat by e& buildings. Our employees are also on hand to offer additional support where required and appropriate.

This year, we also celebrated International Day of Older Persons and offered a variety of discounts to elderly population. This year, we also supported the ‘1 Billion Meals’ campaign which sought to provide one billion meals to disadvantaged people and families from nearly 50 countries. To learn more about our commitment to Corporate Social Responsibility, refer to the CSR section of the Integrated Report.

We strive to be an accessible and inclusive company, so we ensure our website is equipped with features to help people of determination navigate it with ease. To make our products and services even more accessible, we are offering 50 percent discount on selected plans for people of determination.
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<th>Table of Contents</th>
<th>Page</th>
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Introduction

Emirates Telecommunications Group Company PJSC ("e&") created an optimal governance environment for its business and activities by committing itself to the best local and international governance rules throughout its operations. e& reinforced the principles of transparency, accountability, responsibility and equity, and determined the rights and responsibilities of every stakeholder. The Company also established grounds for cooperation with external auditors to produce reliable reports that are consistent with the International Financial Reporting Standards (IFRS). By this, e& was able to create a workplace environment that ensures the integrity of its operations and protects the interests of its shareholders.

The governance report is one of the most important platforms for transparency and interaction with the public given the fact that the governance is embodied in an array of rules and measures under which the Company is run and controlled and it regulates the relations between the Board of Directors, executive management, shareholders and other stakeholders. Moreover, governance handles corporate social responsibility with due attention. This report works on bringing the foregoing to limelight and enabling the shareholders to get acquainted with what the Company does in these aspects.

This report tackles the charters, policies and mechanisms that govern the Company’s work in the field of governance. It also touches on e& Board of Directors, the Board’s Committees, the duties assumed by the Board and by its committees, the Board members’ remunerations and their trading in the Company’s securities. Further, it makes mention of the executive management, the related party transactions, internal control and audit, the Investor Relations Department, the Company’s financial indicators, the innovative initiatives and the important events during 2022.
The corporate governance has witnessed an overwhelming attention and has become one of indispensable substantial requirements for the public joint stock companies. Thus, [company name] pioneered in adopting effective governance criteria and measures and is now running its different operations with an integrated system of policies and mechanisms that aim to achieve transparency and to ease and accelerate achievement of its operations while keeping pace with the fast-growing developments in the telecommunications industry.

The Company, in developing these policies and mechanisms, took into account the legislations in force in UAE, especially the Resolution of Securities and Commodities Authority Chairman No. (3 /Chairman) of 2020 regarding the Adoption of Public Joint Stock Companies Governance Guidelines (SCA Governance Rules) in addition to best international governance practices that are compatible with the said SCA resolution.
Below is a brief for some of the policies under which e&amp; operates:

### 2.1 Board Directorship Policy

Board membership is deemed one of the crucial elements for Company’s well-established governance and defining Company’s path towards success and advancement. Therefore, the Company introduced a full-fledged policy to govern Board membership.

This policy included all the provisions and controls which stipulate the criteria and procedures for such membership. It also explained how the Board is formulated, its term and the provisions related to the Board’s Chairman and Vice-Chairman as well as the category of the directorship, be it executive, non-executive, dependent or independent. The policy further set an election mechanism for Board membership and defined the cases of membership expiry/termination and filling the vacant seats of the Board of Directors.

### 2.2 Insider Security Trading Policy

The Company has introduced this policy to set out the controls governing the trading in e&amp; securities by Insiders whom the policy defines as the persons who gain access to material information relating to the Company. This policy also clarified the nature of material information, the mechanism that governs the insiders’ trading and the prohibition periods during which insiders cannot buy or sell the Company’s securities. You may access the Policy through the below link: https://eand.com/en/investors/share-information.jsp

### 2.3 Policy of Holding Shareholders’ General Assembly

The General Assembly is the supreme apparatus of the Company where the shareholders congregate to resolve the Company’s most essential matters. Therefore, the Company sets a policy that defines the General Assembly’s competencies, jurisdictions, the rules and procedures that govern the call for its convention and the controls that govern its valid functionality in terms of quorum, mechanism of voting, mechanism of passing resolutions and any other matters that relate to the General Assembly and control its functionality. Under the aforesaid policy, the Company was able to call for and convene its General Assemblies with proficiency and transparency.

### 2.4 External Auditor Appointment Policy

e&amp; has always considered the audit function as one of the fundamental control aspects for ensuring integrity of its business. Hence, the Company established a set of rules that regulates the appointment of the External Auditor in full harmony with the requirements and rules stipulated in the relevant governance and corporate discipline standards in UAE. The Policy tackled all the provisions and controls that govern the appointment the external auditor. This Policy regulated all matters related to the External Auditor including the mechanism of its engagement, its dismissals, its resignation, its requisite qualities, its obligations and duties, the functions it is prohibited to undertake and the consultancies and works it is allowed to engage in.

### 2.5 Dividend Policy

In Company’s constant endeavor to create a transparent habitat for shareholders, the Company sets a policy for the dividends that mirrors all its provisions and procedures.

The policy defines the principles that govern all Company’s procedures in relation to all dividends’ matters including the resolutions related to specifying the quantum of the dividends and the procedures related to the pay-out of dividends. This policy also indicates in details how and why relevant resolutions are made and the grounds on which the value of dividends to be paid out to shareholders is decided. In addition, this policy stipulates other requirements that the Company should observe and take into consideration to preserve the interests of the Company and its shareholders with regard to dividends. This policy was presented to the General Assembly meeting held on March 24th, 2020.

### 2.6 Board Confidential Information Disclosure Policy

The Company sets this policy to prescribe additional criteria to regulate the Board members’ communications with stakeholders when such communications involve confidential information. This also aims to keep the confidential information under the seal of secrecy and to prevent its abuse. Thus, this policy defined the confidential information in terms of its nature and how to be treated and preserved. It further clarified the bases for the communications with other parties.

### 2.7 Policy of Board Members’ Conflict of Interest and Related Parties Transactions

Viewing the soundness of the Company’s operations and adoption of governance best practices and transparency as highly crucial, the Company introduced a policy that controls the cases where Board members have conflict of interest or related party transactions.

This policy prescribes a framework explaining how to treat the deals and transactions where a Board member has an interest that conflicts with the Company’s interest or to which the conditions of related party transactions conditions are applicable. This Policy also functions as a guide for the Board members on how to handle such deals and transactions and on the responsibility of the Board members in recognizing and making disposals on such cases, if any, so as to be treated in a way that observes the best interest of the Company and its shareholders and fulfils the requirements of SCA Governance Rules in this connection.

### 2.8 Board Remuneration Policy

This policy sets clear rules, which provide the basis for remunerations of Chairman and Board Members of e&amp;. These rules are tailored in a way that complies with relevant provisions of the Company’s Articles of Association and SCA Governance Rules. It took into consideration the competitive, challenging and evolving nature of telecom sector. The policy tackled the retainer fees of the Board of Directors and its committees and the allowances for attending the Board committee meetings. The Board remunerations are linked to the Company’s performance as they are capped at 0.5% of the net profit after deducting reserves and depreciation. This policy was approved by the General Assembly held on March 17th, 2021.
03

The Board of Directors

The Board of Directors is the authority that enjoys all the powers required for carrying out e& business, except those reserved by Law or e& Articles of Association for the General Assembly. The Board oversees the corporate governance of the Company and how the GCEO and executive management manage it.

None of the executive management is member in e& Board and, according to the Company’s Articles of Association, group chief executive officer may not, while in position, sit on e& Board nor assume a managing director role.

The Board of Directors comprises of eleven members. The Government Shareholder (Emirates Investment Authority “ElA” or any other body constituted as government representative in the Company by virtue of a Cabinet Resolution) appoints seven (7) Board Members in proportion to its shareholding in the Company while the remaining four (4) Board seats are filled by members elected by other shareholders at election run during the General Assembly once every three years. The last election was held on March, 17th 2021.

It is worth mentioning here that e& pays incessant attention to female engagement in all aspects of its business including encouraging their nomination to the Board. Since 2018, the female has accessed e& Board and the feminine percentage in the current Board is 9.1% of the total number of the Board members (i.e., one member out of eleven).

The Board constantly works on enhancing its performance; therefore, an annual effectiveness review is conducted for the Board and its Committees. Also, training courses and workshops were held in 2022 for the Board and its secretary which covered numerous subjects. It is worth mentioning here that seven Board members received training in Environmental, Social and Governance (ESG).
The table below shows the names of the Board members who were appointed by the Government Shareholder, their membership capacity, the date of their accession to the Board, and their roles in the Board and Committees:

<table>
<thead>
<tr>
<th>Name</th>
<th>Roles in the Board &amp; Committees</th>
<th>Membership Capacity</th>
<th>Date of Accession to the Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E. Jassem Mohamed Obaid Alzaabi</td>
<td>Chairman of the Board Chairman of Investment and Finance Committee (IFC)</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2021</td>
</tr>
<tr>
<td>Essa Abdulfattah Kazim Almulla</td>
<td>Vice Chairman of the Board Member of Nomination and Remuneration Committee (NRC) Member of Risk Committee (RC)</td>
<td>Non-Executive &amp; Non-Independent</td>
<td>June 2012</td>
</tr>
<tr>
<td>Hesham Abdulla Qassim Al Qassim</td>
<td>Board Member RC Chairman IFC member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2015</td>
</tr>
<tr>
<td>Mariam Saeed Ahmed Ghobash</td>
<td>Board Member Chairperson of Audit Committee (AC) IFC member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2018</td>
</tr>
<tr>
<td>Saleh Abdulla Ahmed Alabdooli*</td>
<td>Board Member RC Member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2021</td>
</tr>
<tr>
<td>H.E. Mansoor Ibrahim Ahmed Almansoori</td>
<td>Board Member AC Member NRC Member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2021</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>Board Member NRC Chairman IFC Member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2021</td>
</tr>
</tbody>
</table>

*Mr. Saleh Abdooli was non-independent Board Member until 18th May 2022 (i.e. after the lapse of two years from his resignation from Etisalat Group CEO position on 19th May 2020, he became independent Board member).

The table below shows the names of the Board members who were elected by the shareholders during the AGM, their membership capacity, the date of their accession to the Board, and their roles in the Board and Committees:

<table>
<thead>
<tr>
<th>Name</th>
<th>Roles in the Board &amp; Committees</th>
<th>Membership Capacity</th>
<th>Date of Accession to the Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheikh Ahmed Mohd Sultan Al Dhahiri</td>
<td>Board Member AC Member</td>
<td>Non-Executive &amp; Non-Independent</td>
<td>April 2000</td>
</tr>
<tr>
<td>Abdelmonem Bin Elsa Alserkal</td>
<td>Board Member IFC Member</td>
<td>Non-Executive &amp; Non-Independent</td>
<td>March 2012</td>
</tr>
<tr>
<td>Khalid Abdulwahid Hassan Al Rustamani</td>
<td>Board Member RC Member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2015</td>
</tr>
<tr>
<td>Otaiba Khalaf Ahmed Alotaiba</td>
<td>Board Member NRC Member</td>
<td>Non-Executive &amp; Independent</td>
<td>March 2015</td>
</tr>
</tbody>
</table>
3.1 Profiles of the Board

The Company’s Board has an array of expertise, skills and qualifications in various fields like telecom, information technology, banking, finance, investment, oil and gas, real estate, aviation, insurance, hospitality, etc. Below are the profiles of the Board members:

H.E. Jassem Mohamed Obaid Bu Ataba Alzaabi
Chairman, e&

H.E. Jassem Alzaabi has a Master’s Degree in Business Administration from London Business School and a Bachelor’s Degree in Business Administration from Ajman University of Science and Technology. H.E. Alzaabi currently holds the following positions:

- Chairman - Abu Dhabi Department of Finance
- Secretary General - Supreme Council for Financial and Economic Affairs
- Member - Abu Dhabi Executive Council
- Vice Chairman - Abu Dhabi Holding Company (ADQ)
- Vice Chairman - Central Bank of the United Arab Emirates
- Chairman - Abu Dhabi Pension Fund
- Chairman - MODON Properties
- Board Member - Abu Dhabi Investment Authority
- Board Member - Abu Dhabi National Oil Company (ADNOC)
- Board Member - First Abu Dhabi Bank
- Member of the Committee of the Education and Human Resources Council

Mr. Essa Kazim holds Honorary Doctorate from Coe College (USA), Master Degree in Economics from the University of Iowa (USA), Master Degree in Total Quality Management from the University of Wollongong and a Bachelor Degree in Mathematics, Economics and Computer Science from Coe College. He is currently holding the following positions:

- Governor - Dubai International Financial Center
- Chairman - Borse Dubai
- Member - Higher Board of Directors of Dubai International Financial Center (DIFC)
- Member - Securities and Exchanges Higher Committee
- Member - Supreme Fiscal Committee in Dubai
- Deputy Chairman - Supreme Legislation Committee in Dubai
- Chairman - DIFC Authority Board of Directors
- Chairman - DIFC Investments Board of Directors
- Board Member - Free Zones Council
- Board Member - NASDAQ Dubai
- Board Member - NASDAQ Inc.
- Board Member - Rochester Institute of Technology
- Member of the Board of Governors - Hamdan Bin Mohammed E-University

Mr. Hesham Al Qassim holds a Bachelor’s Degree in Banking and Finance and Master’s Degree in International Business Management & in Executive Leadership Development. He is currently assuming the following positions:

- Vice Chairman - Dubai Real Estate Corporation
- Chief Executive Officer - wasl Asset Management Group
- Vice Chairman and Managing Director - Emirates National Bank of Dubai PJSC
- Chairman - Emirates Islamic Bank PJSC
- Chairman - Emirates Islamic Bank PJSC
- Chairman - Emirates NBD S.A.E (Egypt)
- Chairman - DenizBank A.S (Turkey)
- Board Member - Dubai International Financial Center Authority (DIFCA)
- Board Member - DIFC Investments
- Board Member – Itissalat Al-Maghrib “IAM” (Maroc Telecom)
- Chairman - Dubai Sports Corporation
- Chairman - Dubai Autism Center

Sheikh Ahmed Mohd Sultan Al Dhahiri
Board Member, e&

Sheikh Ahmed Al Dhahiri graduated with Bachelor Degree in Civil Engineering from U.A.E. University – Al Ain in 1993. He is currently holding the following positions:

- Vice Chairman - Abu Dhabi National Hotels Company (ADNH)
- Vice Chairman - Abu Dhabi Aviation (ADA)
- Board Member – First Abu Dhabi Bank (FAB)
- Board Member – Al Dhafra Insurance Co.
Mariam Saeed Ahmed Ghobash
Board Member, e&

Mariam Ghobash has substantial corporate governance experience with both publicly listed and private companies. Ms. Ghobash currently serves as a board member of Abu Dhabi National Oil Company for Distribution (ADNOC Distribution), Emirates Development Bank, Gulf Capital and Zayed University. Previously, she was Vice-Chairperson of Aldar Properties and Invest AD. She also served on the boards of National Bank of Abu Dhabi, Al Hilal Bank and National Takaful Co. “Watania” and was a Director in the Global Special Situations Department at the Abu Dhabi Investment Council.

Ms. Ghobash holds a Bachelor of Science in Economics from The Wharton School, University of Pennsylvania in the United States of America. She has also successfully completed the General Management Program at Harvard Business School.

Saleh Abdulla Ahmed Alabdooli
Board Member, e&

Mr. Saleh has graduated from the University of Colorado in Boulder (USA) with a Master’s Degree in Telecommunications and a Bachelor’s Degree in Electrical Engineering. He held the following positions:

- Group Chief Executive Officer – Etisalat Group
- Chief Executive Officer - Etisalat UAE
- Managing Director & Chief Executive Officer - Etisalat Misr
- Deputy Chairman & Member of the Executive Committee - Etisalat Misr
- Board Member - Maroc Telecom Group
- Board Member - Etihad Etisalat Company (Mobily)
- Chairman - Thuraya Telecommunications Company (Thuraya)
- Chairman - Etisalat Services Holding (ETS)
- Board Member - Khalifa University

H.E. Mansoor Ibrahim Almansoori
Board Member, e&

H.E. Mansoor Almansoori holds a Master’s degree in Strategic Security Studies and National Resources Management from the National Defense College (UAE). He is a University of Toledo (Ohio, USA) graduate in Computer Science, and holds several specialized certificates including a Leadership Certificate from London Business School (UK), Innovation Strategy Leadership from Massachusetts Institute of Technology (USA) and International Institute for Management Development (Switzerland). H. E. Mansoor Al Mansoori holds/held the following positions:

- Member - Abu Dhabi Executive Council
- Chairman - Department of Health in Abu Dhabi
- Chairman of the Board - Injazat
- Board Member - AIO
- Board Member - Multiply
- Member of Board of Trustees - Mohamed bin Zayed University of Artificial Intelligence (MBZUAI)
- Group Chief Operating Officer (former) - Group 42 Holding
- Chairman (former) - Bayanat
- Director General (former) - UAE National Media Council
- Board Member (former) - Abu Dhabi Tourism and Culture Authority
- Board Member (former) - Emirates Palace Company

Michel Combes
Board Member, e&

Mr. Michel is a graduate of École Polytechnique, Télécom ParisTech and Paris Dauphine University. He currently holds/held the following positions:

- Chairman & CEO – MC Conseil
- President and CEO (former) - SoftBank Group International
- Board Member - Philip Morris International
- Board Member - CTIA, a national trade association representing the wireless communications industry in the United States
- President and CEO (former) - Sprint
- Board member (former) - Sprint
- CEO (former) - Alcatel
- Chief Operating Officer (former) – Alcatel
- Chairman and CEO (former) - SFR Group
- CEO (former) - Alcatel-Lucent, beginning in April 2013
- CEO (former) - Vodafone Europe
- Chairman and CEO (former) - TDF Group
- Chief Financial Officer and Senior Executive Vice President (former) - France Telecom
Mr. Abdelmonem Al Serkal graduated from Point Loma Nazarene University - San Diego, California, United States in 1993 with a Degree of Bachelor in Business Administration (emphasis on Economics). He currently holds the following positions:

- Managing Director - Al Serkal Ventures
- Board Member - Al Serkal Ventures Ltd.
- Advisory Board Member - Tharawat Family Business Forum
- Board of Patrons - Art Dubai
- Member - The British Museum's Contemporary and Modern Middle Eastern Art Acquisition Committee
- Board Member - Al Serkal Avenue
- Board Member - Nasser Bin Abdullah Al Serkal Est.
- Chairman and CEO - Al Serkal Ventures
- Board Member & Member of Executive Committee - Commercial Bank of Dubai
- Board Member - Dubai Insurance Company
- Advisory Board Member - Tharawat Family Business Forum
- Board of Patrons - Art Dubai
- Member - The British Museum's Contemporary and Modern Middle Eastern Art Acquisition Group
- Member - Tate’s Middle East and North Africa Acquisition Committee
- Member - Guggenheim’s Middle Eastern Circle
- Member - Center Pompidou International Circle Middle East
- Patron – Peggy Guggenheim Collection

Mr. Khalid Al Rustamani holds a Bachelor’s Degree in Finance from George Washington University, Washington D.C., USA. He is currently holding the following positions:

- Chairman and CEO - AW Rostamani Group
- Board Member & Member of Executive Committee - Commercial Bank of Dubai
- Board Member - Dubai Insurance Company

Mr. Abdelmonem Al Serkal is a partner in “Al Serkal & Hamdan Budebes Advocates & Legal Consultants Office”, which was founded by him in 2004, headquartered in the city of Abu Dhabi and has expanded and grown to offer its legal services through a number of branches in the United Arab Emirates, including a branch in Dubai and a branch in Al Ain.

Mr. Otaiba holds a Bachelor of Laws from the University of Damascus in 2001, and a license to practice law (before the First Instance Courts, Courts of Appeal and Supreme Court) from the Ministry of Justice in the United Arab Emirates in 2004.

Mr. Otaiba participated in numerous legal seminars and committees at the local and international level, among the most prominent of these activities is the participation as a member on the National Committee of Lawyers in the UAE. He was also the Head of the Legal Suits Division of the Legal Department at National Bank of Abu Dhabi for two years.

Otaiba bin Khalaf Al Otaiba is a partner in “Al Otaiba & Hamdan Budebes Advocates & Legal Consultants Office”, which was founded by him in 2004, headquartered in the city of Abu Dhabi and has expanded and grown to offer its legal services through a number of branches in the United Arab Emirates, including a branch in Dubai and a branch in Al Ain.
3.2 Group Corporate Secretary and Board Rapporteur, e&

Mr. Hasan Alhosani has a vast experience in the legal field spanning more than 23 years, during which he has held a number of positions in the public and private sectors. He began his career in the oil and gas sector where he worked for nine years during which he served as a legal advisor to the National Petroleum Construction Company (NPCC) known as one of the largest oil construction companies in the region and the Middle East.

Mr. Hasan then moved to the public sector of the Emirate of Abu Dhabi where he assumed the position of General Counsel for the Department of Municipal Affairs as well as the Head of Regulations and Legislations Department.

Mr. Hasan Alhosani holds a Bachelor’s degree in Law from the United Arab Emirates University and is a lawyer registered in the Registry of Non-working Lawyers at the Ministry of Justice. He is also a commercial arbitrator accredited by Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC) and was Member of Arbitration/ADR Steering Committee of ICC UAE.

As Group Corporate Secretary (“GCS”) since 2012, he serves as an advisor to the Board in all legal and governance related matters. In doing so, the GCS ensures providing an independent legal opinion to the Board and adopting the applicable rules and regulations in the UAE as well as the best-in-class corporate governance practices that are related to the Board, its committees and the Board members such as the conflict of interest, related party transactions and non-competition. Also, he takes care of the periodical disclosures related to the afore-mentioned matters to ensure integrity, transparency and compliance with the applicable rules and regulations. The GCS further observes the legal requirements for General Assembly meetings such as their quorum, running their proceedings, casting the votes on their resolutions, following up the implementation of such resolutions as well as the rules of elections. Moreover, Mr. Hasan ensures applying the rules that govern the Board directorships and Board members’ replacement in the event of a director’s resignation or vacating a seat. Besides, he serves as an interface between the Board and each of the Group’s Executive Management, SCA/ADX, shareholders, public authorities and other stakeholders.

3.3 Board Members’ Skill & Diversity Matrix

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors experience</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
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<tr>
<td>Telecom Experience</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>IT/Digital/Cyber Experience</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>CEO/Business Head</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>International Experience</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>Human Capital Management/ Compensation</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
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<tr>
<td>Finance/Capital Allocation/ Business Finance</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
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<tr>
<td>Financial Literacy/Accounting (Audit Committee or Financial Expert)</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
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<tr>
<td>Risk Management</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>Government/Public Policy</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>Marketing/Sales</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>Environmental Science/Policy/Regulation</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<td></td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
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<tr>
<td>ESG Experience</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>Academia/Education Experience</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td>Business Ethics</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓</td>
<td></td>
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<table>
<thead>
<tr>
<th>e&amp; Board Tenure (years)</th>
<th>2</th>
<th>11</th>
<th>23</th>
<th>8</th>
<th>5</th>
<th>2</th>
<th>2</th>
<th>2</th>
<th>11</th>
<th>8</th>
<th>8</th>
</tr>
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<tbody>
<tr>
<td>Nationality</td>
<td>UAE</td>
<td>UAE</td>
<td>UAE</td>
<td>UAE</td>
<td>UAE</td>
<td>UAE</td>
<td>UAE</td>
<td>France</td>
<td>UAE</td>
<td>UAE</td>
<td>UAE</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
</tr>
<tr>
<td>Age (years)</td>
<td>48</td>
<td>63</td>
<td>51</td>
<td>49</td>
<td>39</td>
<td>58</td>
<td>40</td>
<td>60</td>
<td>53</td>
<td>55</td>
<td>48</td>
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</table>
3.4 Meetings of the Board of Directors

The Board of Directors held six meetings during 2022. The below table shows the Board members’ attendance at these meetings:

<table>
<thead>
<tr>
<th>Name</th>
<th>24 Feb</th>
<th>25 Apr</th>
<th>24 May</th>
<th>1 Aug</th>
<th>1 Nov</th>
<th>13 Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E. Jassem Mohamed Obaid Alzaabi</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
</tr>
<tr>
<td>Essa Abdulfattah Kazim Almulla</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Sheikh Ahmed Mohd Sultan Aldhahiri</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Hesham Abdulla Qassim Al Qassim</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Mariam Saeed Ahmed Ghoibash</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Saleh Abdulla Ahmed Alabdooli</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>H.E. Mansoor Ibrahim Ahmed Almansoori</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Abdelmonem Bin Elsa Alserkal</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Khalid Abdulwahid Hassan Alnustamani</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Otaiba Khalaf Ahmed Alotaiba</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

* The Board of Directors passed twelve resolutions by circulation in 2022 where it took all subjects of these resolutions on the following dates: 3 February, 9 February, 25 February, 1 March, 14 March, 24 March, 15 April, 10 May, 10 June (2 resolutions), 20 June, 26 August.
Committees of the Board of Directors

The Board of Directors has a flexible and streamlined management system that facilitates the undertaking of its duties. This system is based on sub-constituting four Board Committees namely: Audit Committee, Nominations & Remunerations Committee, Risk Committee and Investment & Finance Committee. An essential role is being played by each Committee in assisting the Board to effectively assume its roles & responsibilities of running the Company. It is worth mentioning here that all the Board committees are management-free and chaired by independent and non-executive Board member.
4.1 Audit Committee (“AC”)

To mould and attain the above-mentioned flexible management system, Audit Committee has been constituted to help the Board of Directors in various fields and to undertake its duties in accordance with its Charter which serves as an authorization by the Board of Directors to the Audit Committee for undertaking the functions mentioned therein in compliance with the laws and regulations taking force in the country. Such Charter also sets out, in detail, its functions and powers, the mechanism of its constitution, the conditions governing the convention of its meetings and the quorum for the same, in addition to how it shall take its decisions.

The Audit Committee assists the Board in overseeing the Company through, among other things, monitoring the soundness and integrity of the Company’s financial statements, developing & implementing a policy for contracting with the external auditor ensuring such auditor’s independence as well as reviewing the systems of internal audit and Compliance. In addition, the Committee reviews/checks the implementation of internal audit and Compliance systems and policies and supervises the functions of IA (Internal Audit) and Compliance Departments to ensure sound performance of its duties. The AC also oversees the performance and independence of the external auditors and recommends their appointment or service termination to the Board. In fulfilling its role, the Audit Committee maintains free and open communications with the Board, the external auditors, the internal auditors, compliance staff, and the senior members of the finance department of e&.

Moreover, the Committee assists the Board in monitoring the extent to which the company abides by code of conduct rules.

The AC is a management-free and is comprised of four members. Three of the Committee members were selected from the non-executive Board members out of whom two, including the Chairperson, are independent. The fourth Committee member is an independent external member (Mr. Salem Al Dhaheri). He has over 28 years of experience in auditing and leading audit functions, as well as extensive and in-depth knowledge of investment products.

Mr. Salem graduated with a BA in Accounting from Metropolitan State College in Denver, USA, and he is a Certified Public Accountant (CPA). He is also a member of the Illinois CPA Society, the American Institute of Certified Public Accountants and the Institute of Leadership & Management (UK). He has gained the 2015 Lifetime Achievement Award by the Institute of Internal Auditors (IIA-UAE). The Committee also has a member elected by the General Assembly, Sheikh Ahmed Al Dhaheri. It is worth mentioning that all Committee members have knowledge and know-how in audit, risk, financial and accounting matters through either their academic backgrounds, their memberships in the boards of directors of major companies and institutions and the senior administrative or executive roles they occupy, which were mentioned in their profiles.

The AC is responsible for approving and monitoring the implementation of the Internal Audit, Enterprise Risk Management and Ethics and Compliance plans. This includes overseeing the audit of data privacy and security, Green House Gases (GHG), gender pay gap and supplier compliance. The AC also oversees business ethics issues and the compliance with e&’s Code of Conduct which includes, among its provisions, prohibition of child labour, and compliance with applicable rules and regulations. The AC reports all relevant matters including high risks and major control gaps to the Board.

The Committee convenes periodically and whenever necessary. Ms. Mariam Saeed Ahmed Ghobash, Chairperson of the Committee, commits that she is responsible for the Committee’s framework, reviewing such framework’s functionality and ensuring its efficiency.

4.2 AC Meetings

The Committee held eight meetings in 2022. The meetings’ attendance by the Committee members was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>8 Feb</th>
<th>14 Feb</th>
<th>23 Feb</th>
<th>21 Apr</th>
<th>28 Jul</th>
<th>20 Oct</th>
<th>27 Oct</th>
<th>12 Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mariam Saeed Ahmed Ghobash (AC Chairperson)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Sheikh Ahmed Mohd Sultan Al Dhaheri</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>H.E. Mansoor Ibrahim Ahmed Al Mansoori</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Salem Sultan Al Dhaheri (External Member)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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</tr>
</tbody>
</table>

4.3 Risk Committee (“RC”)

The Risk Committee has been constituted from within the Board of Directors to assist the Board in performing its duties diligently and effectively as per the Committee’s charter which serves as an authorization by the Board of Directors to it for undertaking the functions mentioned therein in compliance with the laws and regulations taking force in the UAE. The Committee’s Charter also sets out, in detail, the functions and powers granted to the Committee, its constitution, the conditions governing the convention of its meetings & its quorum and the Committee’s decision-making mechanism.

The Committee undertakes many roles including overseeing the Company’s Risk Management systems, assessing the effectiveness and mechanisms for determining, measuring & monitoring risks and determining areas of inadequacies. The Committee also gives advice to the Board in relation to 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 to the Company’s risk policies. Further, the RC regularly reassesses 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.

The Committee is a management-free and it is comprised of four members with a wealth of expertise and business experience in telecommunications industry and in the field of Risk Management. All the Committee members were selected from the non-executive Board members, of whom three, including the Chairman, 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 a call for convention by the Board of Directors or its Chairman. Mr. Hesham Abdullah Qassim Al Qassim, Chairman of the Committee, commits that he is responsible for the Committee’s framework, reviewing such framework’s functionality and ensuring its efficiency.
4.4 RC Meetings

The Committee held four meetings in 2022. The meetings’ attendance by the Committee members was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>31 Jan</th>
<th>7 Apr</th>
<th>4 Jul</th>
<th>3 Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hesham Abdulla Qassim Al Qassim (RC Chairman)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Essa Abdulfattah Kazim Almulla</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Saleh Abdulla Ahmed Alabdooli</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Khalid Abdulwahid Hassan Alrustamani</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

4.5 Nomination and Remuneration Committee (“NRC”)

The NRC has been constituted from within the Board of Directors to assist the Board in performing its duties diligently and effectively as per the Committee’s charter which serves as an authorization by the Board of Directors to it for undertaking the functions mentioned therein in compliance with the laws and regulations taking force in UAE. The Committee’s Charter also sets out, in detail, the functions and powers granted to the Committee, its constitution, the conditions governing the convention of its meetings & its quorum and the Committee’s decision-making mechanism.

Whereas the Company’s cadre is deemed fundamental for the Company’s advancement and for achievement of its targeted goals, the Committee assumes, as part of its key roles, setting the policies which define requirements of talents at the levels of Executive Management and staff as well as setting the policies pertaining to the compensations, incentives and salaries of the members of Executive Management and staff of the Company as well as the remunerations of the Board of Directors in a manner that ensures meeting the Company’s objectives and that is commensurate with its performance. The Board and Committee approve the compensations and remunerations of the group chief executive officer and key executives, respectively. In performing its functions, the Committee takes into account maintaining the competitive and fair nature of the compensations, which is to be in line with its strategy of attracting and retaining the talented staff in order to achieve the best results. The Committee also reviews the Committee’s initiatives in the field of gender equality as well as diversity at the level of the board of directors and employees of the company. Furthermore, it monitors human capital related risks.

Moreover, the Board assigned more duties to NRC, in 2022, to assist it the Environmental, Social, and Corporate Governance (ESG) matters. Among these duties are providing guidance to the Board on programs that relate to ESG matters, overseeing the sustainability strategy and the progress against achieving sustainability targets, supervising climate risks and the plans on environment and climate action. It further oversees material business risks in relation to ESG as well as risk management strategies and the controls of these risks. Also, the Committee has established Sustainability Steering Committee from the Management to ensure the implementation of all relevant initiatives.

The Committee is management-free and consists of four non-executive members from the Board of Directors, of whom three, including the Chairman, are independent. The NRC convenes periodically and whenever necessary. Mr. Michel Combes, Chairman of the Committee, commits that he is responsible for the Committee’s framework, reviewing such framework’s functionality and ensuring its efficiency.

4.6 NRC Meetings

The Committee held nine meetings in 2022. The meetings’ attendance by the Committee members was as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Michel Combes (NRC Chairman)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Essa Abdulfattah Kazim Almulla</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Saleh Abdulla Ahmed Alabdooli</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Khalid Abdulwahid Hassan Alrustamani</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

* This meeting was held in three separate sessions.

4.7 Investment and Finance Committee (“IFC”)

The IFC was formed to assist the Board in the investment-related business at the local and international levels given that Company is one of the major companies investing in telecom industry and has a shareholding in many companies such as Maroc Telecom, Etisalat Misr, Mobily and many other companies. This necessitated the Board to constitute this Committee to assist it in undertaking its duties pertaining to such Group’s investments along with other financial matters that are fundamental for the Company’s success and progress.

A charter for this Committee has been composed and has defined its functions and duties, the cases in which the Committee is entitled to make the decisions which it deems appropriate and the cases in which it is only empowered to make recommendations for the Board to pass the appropriate resolutions thereon. This Charter serves as an authorization by the Board for the Committee to carry out the functions and responsibilities stipulated therein.

The Committee is a management-free and it consists of five non-executive members, of whom four, including the Chairman, are selected from independent Board members. It convenes six times per year and whenever necessary. H.E. Jassem Mohamed Obaid Alzaabi, Chairman of the Committee, commits that he is responsible for the Committee’s framework, reviewing such framework’s functionality and ensuring its efficiency.
### 4.8 IFC Meetings

The Committee held nine meetings in 2022. The meetings’ attendance by the Committee members was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>7 Feb</th>
<th>5 Apr</th>
<th>25 May</th>
<th>28 Jun</th>
<th>26 Jul</th>
<th>21 Sept</th>
<th>22 Sept</th>
<th>18 Oct</th>
<th>29 Nov</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E. Jassem Mohamed Obaid Alzaabi (IFC Chairman)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Hesham Abdulla Qassim Al Qassim</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Mariam Saeed Ahmed Ghobash</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Abdelmonem Bin Elsa Alserkal</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>X</td>
</tr>
</tbody>
</table>
The remunerations of Board members are lump sums submitted to the General Assembly for approval via Board recommendation. Article 8, Articles of Association, which was promulgated by virtue of Cabinet Resolution No. 29 of 2015, as amended, linked such remunerations to the Company’s performance as it is capped at 0.5% of ended financial year’s net profit after deducting the depreciations and reserves.

The total remunerations of the Board members for the year 2021 amounted to AED 17,980,522, while the Board remunerations for the year 2022 amounted to AED 32,594,000, which constituted around 0.33% of the net profit after deducting both depreciations and reserves. The latter amount covered the fees paid against the membership in the Board and the additional duties and responsibilities assumed at the Board Committees.
Below are the amounts received by each Committee member against such additional duties and responsibilities:

<table>
<thead>
<tr>
<th>Board Member</th>
<th>IFC</th>
<th>NRC</th>
<th>AC</th>
<th>RC</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E. Jassem Alzaabi</td>
<td>1,056,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Essa Kazim</td>
<td>528,000</td>
<td>352,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hesham Al Qassim</td>
<td>880,000</td>
<td>422,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mariam Ghobash</td>
<td>880,000</td>
<td>422,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saleh Alabdooli</td>
<td></td>
<td>528,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H.E. Mansoor Al Mansoori</td>
<td>528,000</td>
<td>352,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michel Combes</td>
<td>880,000</td>
<td>422,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheikh Ahmed Al Dhahiri</td>
<td>528,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abdelmonem Alserkal</td>
<td>880,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khalid Alrustamani</td>
<td></td>
<td>528,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otaiba Al Otaiba</td>
<td>528,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All values are in AED.

- Due to the volume of work and time spent at the IFC, each member receives AED 880,000.
- The member in other Board Committee receives AED 528,000 against the additional duties and responsibilities assumed at such Committees.
- If a Committee member sits in more than one Committee, such member is entitled to AED 352,000 against this additional duty.
- 20% premium is paid to the Chairman of the Committee.
- No Committee meetings’ attendance fees are paid.
This report tackles Insider Security Trading Policy in another context where it articulates the policies set to implement the governance rules and corporate disciplines. The afore-said policy controls the Insiders’ trading in the Company’s securities in compliance with the governance and disclosure requirements applicable in UAE as well as international best practices.

This section of the report provides for the trading in e& shares effectuated by the Chairman and Members of the Board of Directors and their spouse and children since they are subject to the above-mentioned policy given that they are deemed part of the Insiders’ definition including, Chairman, Board members, the top Management and any person who has access to Company’s material information prior to publishing it.

The Material Information is defined by the above-mentioned Policy as any information, positive or negative, that may impact the price of e& securities, hence; affect investors’ decisions towards buying or selling such securities.
The below table shows the trading in the Company’s shares conducted by the Board Members, their spouses, and children in 2022 and their holding of such shares as of the end of the year:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/ Kinship</th>
<th>Shares Held as at 31/12/2022</th>
<th>Total Sold Shares in 2022</th>
<th>Total Purchased Shares in 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>H.E. Jassem Mohamed Obaid Alzaabi</td>
<td>Chairman</td>
<td>2,050,357</td>
<td>69,537</td>
<td>2,079,894</td>
</tr>
<tr>
<td>Essa Abdul fattah Kazim Almulla</td>
<td>Vice Chairman</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Spouse</td>
<td>241,595</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sheikh Ahmed Mohd Sultan Aldhahiri</td>
<td>Board Member</td>
<td>14,519</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Spouse</td>
<td>459,224</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hesham Abdulla Qassim Al Qassim</td>
<td>Board Member</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Spouse</td>
<td>110,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Son</td>
<td>4,202</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Son</td>
<td>5,302</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Daughter</td>
<td>5,302</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Daughter</td>
<td>5,852</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Daughter</td>
<td>4,202</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Daughter</td>
<td>4,752</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mariam Saeed Ahmed Ghobash</td>
<td>Board Member</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Saleh Abdulla Ahmed Alabdooli</td>
<td>Board Member</td>
<td>30,184</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H.E. Mansoor Ibrahim Ahmed Almansoori</td>
<td>Board Member</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Michel Combes</td>
<td>Board Member</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Abdelmonem Bin Eisa Alserkal</td>
<td>Board Member</td>
<td>2,688,561</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Khalid Abdulwahid Hassan Alrustamani</td>
<td>Board Member</td>
<td>319,983</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Otaiba Khalaf Ahmed Alotaiba</td>
<td>Board Member</td>
<td>12,313</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
The Executive Management team carries out the company’s day-to-day activities and exercises the authorities delegated to it by e&’s Board of Directors as per the customary practice and the governance rules and regulations. To facilitate exercising its duties, the Management was granted a power of attorney, which authorised it, among other matters, to sign bank documents, appoint employees, and represent the company before official and quasi-official bodies. In addition, the Board authorized the Management the ability to executing contracts, agreements and transactions. Moreover, e& has established clear rules, approved by the Board, setting the limits within which the Management members may act in respect of the above. The current power of attorney ends on March 21st, 2024.

Further, e& has adopted a pay-for-performance philosophy, where all e& employees including the executives, are eligible for a bonus (STI) based on the associated policy. Each executive has a scorecard with ambitious targets approved by the Board or NRC, as applicable. Achievement against these scorecards forms the basis for the overall performance rating and annual bonus payout. Notably, the Group Chief Executive Officer’s scorecard for 2022 includes several components, including ESG.
7.1 Salaries and Remunerations of Executive Management

The details of e& key Executive Management members, their joining dates and gross salaries & remunerations paid for the year 2022 are outlined below:

<table>
<thead>
<tr>
<th>Position</th>
<th>Joining Date</th>
<th>Annual Gross Salary &amp; Allowances¹</th>
<th>Other Allowance²</th>
<th>Bonus 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Chief Executive Officer</td>
<td>27-Sep-2015</td>
<td>5,653,892</td>
<td>342,195</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Group Chief Financial Officer</td>
<td>01-Aug-2013</td>
<td>3,239,616</td>
<td>149,504</td>
<td>2,920,000</td>
</tr>
<tr>
<td>Group Chief Operations Officer</td>
<td>02-Sep-1998</td>
<td>2,840,429</td>
<td>195,840</td>
<td>3,720,000²</td>
</tr>
<tr>
<td>Group Chief Legal &amp; Compliance Officer</td>
<td>26-Dec-2010</td>
<td>1,629,496</td>
<td>16,955</td>
<td>990,000</td>
</tr>
<tr>
<td>Group Chief Human Resources Officer</td>
<td>24-Nov-2020</td>
<td>2,477,967</td>
<td>97,745</td>
<td>2,740,000</td>
</tr>
<tr>
<td>Chief Executive Officer, etisalat by e&amp;</td>
<td>29-Aug-2021</td>
<td>3,144,000</td>
<td>296,000</td>
<td>5,830,000</td>
</tr>
<tr>
<td>Chief Executive Officer, e&amp; international¹</td>
<td>01-Mar-2022</td>
<td>2,747,390</td>
<td>-</td>
<td>2,290,000</td>
</tr>
<tr>
<td>Chief Executive Officer, e&amp; enterprise</td>
<td>03-Nov-2013</td>
<td>3,094,113</td>
<td>273,425</td>
<td>4,215,000</td>
</tr>
<tr>
<td>Chief Executive Officer, e&amp; life</td>
<td>19-Jun-1993</td>
<td>3,600,117</td>
<td>110,000</td>
<td>3,870,000³</td>
</tr>
</tbody>
</table>

All values in AED

¹ The employees are also entitled to other additional benefits like medical insurance and gratuity or pension (as applicable) and telephone rebate. The amounts in this column include the allowances for additional assignments.
² It includes education reimbursement, vacation allowance and home travel allowance.
³ It includes deferred compensation payment.
⁴ Chief Executive Officer of e& international joined in March 2022.

7.2 Nationalisation Rate & Gender Diversification

Nurturing our Emirati talent and empowering our future leaders have always been a priority for our organisation. As a result, our Emiratisation percentage has grown in the last three years, year over year, as it increased from 50% in 2020 to 51% in 2021 and reaching 52% in 2022.

In addition to Emiratisation, we also value gender diversity and as an equal opportunity employer we have actively worked to ensure gender equity in our policies and practices. This has seen gender diversity grow in the last three years, year over year as well. The percentage of women at e& reached a record level of 25% in 2022.
e& did not conduct any transactions with Related Parties in the year 2022 in accordance with the provisions governing transactions and Related Parties stipulated under the Resolution of Securities and Commodities Authority Chairman No. (3 /R.M) of 2020 regarding the Adoption of Public Joint Stock Companies Governance Guideline.

For the Related Party Transactions in accordance with International Financial Reporting Standards (IFRS), please refer to e& annual report on the below link:

https://eand.com/en/investors/annual-reports.jsp
The Board of Directors is responsible for the Company’s internal control system, its annual review and ensuring its efficiency. Hence, the Board approved certain governance functions and structures that achieve the goal of effectively undertaking the ERM functions and ensuring the efficiency and effectiveness of internal control aspects within the Company.

In order to ensure the optimal application for the internal control and audit requirements, the Company has adopted the internationally recognized “three lines” model. Thus, the system of internal control and audit in the Company consists of the following three elements:
1. Frontline Business Functions

This is first line of defense, governed by policies, procedures, code of business ethics and delegated mandates as approved by the Board of Directors and signed by all staff. The business functions are responsible for having adequate skills, operating procedures, systems and controls in place to comply with policies and mandates to and to exercise sound risk management.

2. Second Line of Defense

2.1 The Enterprise Risk Management

The Enterprise Risk Management (ERM) function, constitutes part of the second line of defence and it is responsible for the identification and monitoring of key enterprise-wide risks as well overseeing the assurance processes that ensure the effectiveness of the internal control environment. ERM sits alongside other specialized oversight functions that share the common purpose of contributing to a robust control environment.

2.2 Ethics & Compliance

The Ethics and Compliance function oversees and monitors ethics and compliance regulations and requirements.

The function supports all initiatives aimed at fostering a culture within which ethical values and compliance obligations are a central component for decision-making including, but not limited to, the following:

- Promoting a culture of integrity and ethical conduct throughout e& and its operating companies;
- Designing and implementing an Ethics and Compliance programme that effectively identifies, assesses and mitigates compliance-related risks;
- Providing information, training, and awareness to promote and embed a compliance culture; and
- Providing advice and expertise to e& on ethics and compliance matters.

The function is headed by Ms. Brooke Marie Lindsay, an expert in the telecommunications and legal fields. Ms. Lindsay has served as the Group Chief Legal and Compliance Officer of e& since December 2021. Prior to that, Brooke served as the General Counsel for e& International. Before joining e& in 2010, Brooke worked with highly regarded independent and international law firms. Ms. Lindsay is currently a Director of Khazna Data Centers and the IMENA Group. She was a director of Thuraya Telecommunications Company and a Director and committee member of Etisalat Nigeria. Ms. Lindsay holds a Bachelor of Law and Accounting from Bond University in Australia. Brooke has been e&s Compliance Officer since January 2022.

3. The Internal Audit Function

Internal Audit, the third line, provides objective assurance and insight on the effectiveness and efficiency of risk management, internal control and governance processes.

The ERM and Internal Audit functions are headed by Mr. Mohamed Dukandar who has wide experience of over 26 years in the fields of governance, risk management, compliance, insurance and internal audit at reputable companies, especially in telecom industry.

Mr. Dukandar is a Chartered Accountant (CA), Certified Internal Auditor (CIA) and Certified Control Self Assessor (CCSA). It is noteworthy that Mr. Dukandar assumes the role as Group Chief Risk and Internal Audit Officer since joining the Company in 2016.

The ERM and Audit Department is completely independent from the Executive Management, reporting functionally to e& Board of Directors which, in turn, has authorized two committees, the Audit Committee to oversee the functions of Internal Audit and Compliance and the Risk Committee to oversee Enterprise Risk Management function. The aforesaid supervisory duties of the Committees included, but not limited, to the below:

- A Group Risk Profile that fairly represents the significant risks across e& Group and OpCos in line with defined risk tolerance and appetite levels;
- A risk reporting framework that regularly provides updates to Management and the Risk Committee. These reports help to drive appropriate actions in order to mitigate unacceptable risk exposures;
- A compliance reporting framework that regularly provides updates to the Management and the Audit Committee. These reports help to drive appropriate actions in order to mitigate unacceptable compliance exposures;
- Appropriate compliance policies and processes to meet corporate legal and regulatory obligations;
- Mechanisms to verify adherence to policies and processes for legal and regulatory obligations, and
- A risk and compliance culture of continuous improvement in relation to process efficiency and awareness of risk management.

The function continued its leadership in Internal Audit during 2022 with its key staff participating at the ‘UAE IIA, 3D Virtual Conference’ and the ‘14th Annual Internal Auditors Conference’ as panel members/speakers. The ERM/IA Department won the Leading Practice Award from the IIA – UAE during 2022. Also, the function has previously won awards at the ‘International IIA Conference’ and the ‘9th Regional Chief Audit Executive Conference’ in 2020. It was declared as ‘2019 Leading Practices in Internal Audit – Overall Winner’ in the Private Category at the ‘IIA Annual Regional Conference’ in 2020. Also, the overall ‘Best Practice Award’ at the ‘5th Chief Audit Executive Conference’ in 2015 and again in the Governance, Risk & Compliance (GRC) Private Sector category at the ‘7th Chief Audit Executive Conference’ in 2017. These participations and awards are a reflection of the function’s drive towards excellence and continuous improvement and a recognition of practices and standards implemented.

Internal Control

The ERM function engages with teams across the business to maintain risk management practices in line with the Board-approved Group-wide ERM Charter, Policies, and frameworks. The function provides the Management, the Audit Committee and the Risk Committee with reasonable assurance that the significant risks affecting the organization are identified, assessed and appropriately mitigated to remediate the same.

The function helps the Management and the Risk Committee to:

- Focus on key risks that could affect the delivery of operational, financial, compliance and strategic objectives;
- Minimize surprises through ongoing identification and management of existing and emerging risks;
- Deal more effectively with changing economic and competitive environments;
- Increase efficiency and effectiveness of operations;
- Make decisions in the pursuit of opportunities that could lead to reward;
The function helps the Management and the Audit Committee to:
- Create greater risk and compliance awareness and enhance the Company's ability to respond accordingly;
- Increase efficiency and effectiveness of operations;
- Meet their legal, regulatory and social responsibilities, and
- Effectively coordinate regulatory and compliance matters.

The scope of work of ERM is to implement and maintain:
- An effective ERM Framework;
- An appropriately resourced and skilled team to ensure key risks are identified and managed;

Internal Audit

The Internal Audit function role is to provide independent and objective assurance and consulting services, which are designed to add value and improve the operations of e&. The function helps e& accomplish its objectives by creating a comprehensive approach to anticipate, identify, prioritize, monitor and facilitate the management of e&'s key business risks, and facilitate implementation of cost-effective internal controls and compliance.

The function is governed by adherence to the mandatory elements of The Institute of Internal Auditors’ (IIA) International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The function evaluates and reports on the effectiveness and efficiency of e&'s operations, systems, and controls, in line with the internationally recognized Internal Audit framework.

The function has had the privilege of being the first UAE-listed company to successfully pass an External Quality Assessment by the IIA Global with the highest rating for General Conformance to the three areas: Attributes Standards, Performance Standards, and Code of Ethics. The function was re-certified in 2019 by the IIA and achieved 100% conformance to all applicable Internal Auditing Standards.

Key Control/Compliance/Audit Matters

The ERM and Audit Department addresses key issues or risks identified in the annual reports and accounts, which include but are not limited to the following:
- Ensuring establishment of remediation or action plans for all key risks, if any. Such plans are to identify the responsible persons along with timelines for completion;
- Monitoring progress in completing agreed actions with regular reporting on their status to Audit Committee; and
- Performing follow-up reviews, as needed.

The function provides the Audit Committee with an annual assessment on the efficiency and effectiveness of the internal control environment across e& Group. In addition, the ERM and Audit Department report to the Management and the Audit Committee, at least quarterly, on the status of the internal control environment, including the reporting of any significant control issues and the status of actions to address deficiencies.

Examples of audit assurance provided/will be provided by the IA function during 2022:

a. Governance of data privacy & security

- Internal Audit is participating in the implementation of Data Protection and Customer Privacy program to comply with the UAE Data protection law. This program is currently in progress.
- Corporate Information Security Steering Committee (CISSC) conducts regular measurements of the security program effectiveness for continuous improvement and facilitate the implementation of information security policies. The Head of Internal Audit is a standing invitee to the CISSC meetings as an observer.

b. Audit of ESG

Internal Audit is Planned to conduct ESG audit in 2023 and part of the scope we will cover the gender diversity pay and promotion process as well as audit of the greenhouse gases.

c. Other Reports

For 2022, twelve ERM & Audit reports have been shared with the Audit Committee, which included (i) an annual report summarizing the ERM & Audit Department’s activities for the year (ii) four quarterly reports on Internal Audit and (iii) one report on Special Audit & Investigation activities. Also, six Enterprise Risk Management reports have been shared with the Risk Committee, which included (i) four reports on the company risk profile (ii) one internal control report and (iii) one report on Risk Appetite Framework and the Group Risk Appetite.

Ethics and Compliance provides an independent, timely and reliable confirmation on the viability, efficacy and effectiveness of controls to ensure adherence to legal and ethical standards including but not limited to:
- Providing an annual assessment on the efficiency and effectiveness of the Ethics and Compliance Programme.
- Reporting to Management and the Audit Committee on the status of the Ethics and Compliance Programme including the reporting of any significant compliance risk, non-compliances and control issues, and the status of actions taken to address deficiencies.

For 2022, Ethics and Compliance Function shared eight reports with the Audit Committee, including:
- (i) an annual report summarizing the Function’s activities for the year;
- (ii) four quarterly Ethics and compliance reports;
- (iii) two compliance programme review reports; and
- (iv) one compliance country risk report.

The ERM and Audit Department and Compliance departments are not aware of any material problems faced by the Company that have not been disclosed in 2022 Consolidated Financial Statements.
The External Auditor

A Glance

The applicable rules and regulations vests with the General Assembly the approval authority of the external auditor’s annual appointment and fixing its fees and stipulates that the same external auditor may not be appointed for six consecutive years unless the audit partner is replaced after the lapse of three years. Therefore, General Assembly annually approves the appointment of the external auditor and determines its fees, based on a recommendation from Board after tendering process led by Internal Audit and Enterprise Risk Management Department. Hence, the AGM meeting held on 5th April 2022 approved the appointment of “KPMG Lower Gulf Limited” as the Company’s external auditor for the year 2022. This firm has been assuming these duties since 2018 and Mr. Mobeen Chaudhry has been auditing partner since changing the former partner in 2021.
KPMG is a global network of professional firms providing Audit, Tax and Advisory services across a wide range of industries, Government and non-profit sectors.

KPMG firms operate in 143 countries and territories and have more than 265,000 people working in member firms around the world. Member firms in the KPMG organization are members in, or have other legal connections to, KPMG International, an English private company limited by guarantee. KPMG International acts as the coordinating entity for the overall benefit of the KPMG member firms but does not provide professional services to clients.

The KPMG member firm in the UAE, along with the Oman member firm, are associated with KPMG Lower Gulf. Established in 1973, KPMG Lower Gulf consists of 2,160 staff members, including approximately 190 partners and directors, across six offices.

KPMG Lower Gulf provides audit, tax and advisory services to a broad range of domestic and international clients across all sectors of business and economy. They work closely with their clients, assisting them in mitigating risks and highlighting opportunities. KPMG values diversity and inclusion, fostering a positive and encouraging culture. As a result, it attracted passionate individuals who share a common purpose of Inspiring Confidence and Empowering Change for their clients and the communities in which they live and work. Amid times of economic change, technology advancement and industry disruption, KPMG has the depth of expertise, global reach, clarity of insight and strength of purpose to work shoulder to shoulder with its clients – now and into the future. With a worldwide presence, KPMG continues to build on member firms’ successes; with its clear vision and maintained values, and clients.

**External Audit Fees, Services & Costs**

Below are the details and breakdowns of the external audit fees and other advisory services fees incurred during 2022:

- The external audit services’ fees for 2022 are amounting to AED 2,439,771. These fees are against audit of the annual and interim consolidated financial statements and services related to SCA Review (XBRL).
- The fees pertaining to services delivered by e& External Auditor in 2022 other than the audit tasks are amounting to AED 1,477,555. These fees are for updating the Global Medium Term Note (GMTN) & audit of regulatory financial statements.
- The fees paid/payable for services which were delivered in 2022 by other audit firms – other than the Company’s external auditors – are amounting to AED 8,137,187. These fees were against advisory services. The companies which delivered these services were as follows:
  1. Pricewaterhouse Coopers
  2. Deloitte & Touche Middle East
  3. Ernst & Young
  4. Ardent Advisory & Accounting LLC

**External Audit Qualified Opinions on Interim & Annual Consolidated Financial Statements of the Year 2022**

The external auditor did not state any qualified opinions on the interim and annual consolidated financial statements of the year 2022.
During the year 2022, the Company received five violation decisions from the Telecommunications and Digital Government Regulatory Authority (TDRA) as follows:

- Two violation decisions in relation to call spoofing.
- Two violation decisions in relation to mobile registration requirements.
- One violation decision in relation to Consumer Protection Regulation.

The Company allocated resources to address these requirements to TDRA’s satisfaction and work is still ongoing on requirements. This includes implementing adequate controls to eliminate recurrence of any such violations.
Delivering on our Environment, Social and Governance (ESG) commitments is paramount to providing an enhanced customer experience, maximising value creation for our shareholders and looking after the communities where we operate.

As a global technology and investment conglomerate, we are reiterating the Group’s commitment to our ESG principles, spearheading digital transformation and connectivity for a sustainable and inclusive future for all.

e&’s sustainability strategy amplifies and raises awareness of its sustainability agenda, and Corporate Social Responsibility is a key pillar in our operations. We believe that it is important to empower communities by connecting them with advanced digital solutions while maximising our social impact by driving innovation and entrepreneurship.

In 2022, community development remained a major priority as we delivered on our commitment to education empowerment, support for the UAE national agenda programmes and to empower charities and non-governmental organisations in both the public and private sector. We conducted a country-wide blood donation campaign, the first time since the start of the pandemic.
e& aims to support various segments of the society: children, youth, women, and People of Determination. We participated in an event organised by the Community Development Authority to mark International Day for Older Persons, which aims to raise public awareness about the opportunities and challenges presented to the ageing populations and to mobilise the families, community groups and stakeholders to address the difficulties faced by older people.

As in previous years, e& deployed volunteers at its GITEX stand at the Dubai World Trade Centre. During GITEX Global 2022, more than 45 e& volunteers were assigned to different verticals of e&’s stand, and presented demos to the VIPs, corporate visitors, business partners and to the general public.

Our sports and youth partnerships this year reinforced our deep commitment to major sporting events in the UAE and internationally, and to our growing customer base.

Our community investments fall under these categories:
1) Social and Community Development
2) Culture and Environment
3) Innovation, Education, and Health
4) Sports and Youth

A summary of CSR activities of the year 2022 is as follows:

**Social & Community Development**
- SWAT Challenge for Dubai Police
- Dubai Can Public Water Station
- Bread for All, an MBRGi Endowment Consultancy initiative
- Noor Dubai
- Supporting Emirates Red Crescent (ERC)
- 1 Billion Meals Smiles Ramadan Campaign
- Autism awareness webinar for e& staff
- Wider Web Extension plug in refresher video
- Zayed Humanitarian Day
- Fujairah Foundation for Regions Development
- Make A Wish Foundation
- Inclusive Employment Ecosystem
- 60 percent discount for Barakat Al Dar Cardholders
- e& HSE, technology and admin teams (FM, UNOC, Mobile Planning) worked round the clock to ensure continued services despite heavy rain and flash floods hit the Northern Emirates

**Cultural & Environment Support**
- Al Bateah Fourth Cultural Festival Sharjah
- Ajman 6th International Environment Conference
- Ajman Ramadan Festival
- Dubai International Holy Quran Award
- Sharjah Heritage Day
- FutureNow Hackathon with UOWD
- Sharjah City of Humanitarian Services Zakat Campaign
- Adha Campaign
- Emirati Women’s Day
- Urgent Relief and Humanitarian provisions through an aid package to Pakistan, complementing PTCL’s efforts
- Al Murabaa Arts Festival
- Emirates Nature added to Smiles application
- 27th Conference of the Parties of the UNFCCC (COP 27)
- e& enterprise’s environmental initiatives with Goumbook such as tree planting and sustainability awareness sessions

**Contribution value:** AED 3.1m

**Contribution value:** AED 1.3m
Innovation, Education & Health

- Innovation Month program
- Artificial intelligence overview session.
- Etisalat Award for Children Book Fair
- Ajman International Exhibition for Education & Training
- BETT Exhibition 2022
- Eid and UAE Doctors Day greeting.
- Blood donation Drive across UAE.
- Cyber security virtual awareness session
- SMS of the Crown Prince Court Office congratulating Frontline Heroes and their families on the occasion of Eid Al Adha to appreciate their contribution during the pandemic
- ERC “With Knowledge We Empower” campaign
- ERC Soqia campaign
- Schools and universities GITEX visit
- GEMS Awareness Day
- Sharjah International Book Fair 2022
- Academic and Industry Collaborative Partnership with University of Wollongong
- Educational Awareness for People of Determination Partnership with Behaviour Enrichment, an institute for determined children
- UAE Codes Day
- Breast Cancer Awareness Day
- Hackathon weekend to train students and introduce CPaaS platform capabilities
- ‘Bread For All’ added to Smiles application

Contribution value: AED 4.4m

Sports & Youth

- The Professional League Committee
- UAE Football Association
- Football Tournament for Ajman Government Department.
- HH Sheikh Mansoor Bin Zayed Al Nahyan Racing Festival
- UAE Cycling Team Season 2022

Contribution value: AED 17m

Total spending on all CSR activities for the year 2022 is: AED 25.8m
In light of the Company’s endeavors to create the best means of communication with its shareholders and the investment community, the Group established the Investor Relations Department to serve as their main interface. This Department functions through various platforms such as the Company’s website, Investor Relations App and Abu Dhabi Securities Exchange (ADX) website, in which it publishes company-related information such as its financial disclosures, corporate events and developments, Board of Directors’ reports, governance reports, sustainability reports and shareholding structure. In doing so, the Company keeps abreast with the best international practices in this field and complies with the provisions of SCA Governance Rules.

The Investor Relations department is headed by Mr. Nazih Ramez El Hassanieh whose experience in the financial and respective sectors exceeds twenty-four years, of which twelve years were in the Investor Relations field at e&. Mr. Nazih holds a Master of Science degree in Management from Babson College in the USA and is a CFA® charterholder.

Below are communication channels for investors:

Investor Relations Contact:
e& Investor Relations
e& Head Office, P.O. Box 3838, Email: ir@eand.com
Website: https://eand.com

Shareholders Affairs Contact:
Ms. Engy Zaki,
Phone: +971 2 618 2661 (The voice mail feature is activated after official working hours and during public holidays)
Email: shares@eand.com
Share Trading Compliance Committee

In an endeavor to ensure the implementation of the e& Insider Trading Policy, which governs the insiders’ trading and compliance with the respective applicable rules and regulations in the country, e& is in constant engagement with managing, following up and supervising insiders’ trading and ownership through the Share Trading Compliance Committee.

The policy provides guidelines to those who have access to inside information (material and non-public information that has an effect on the share price) from amongst all employees as well as members of the Board of Directors and Audit Committee and their relatives with respect to transactions in the Company’s securities. It identifies the Company’s procedures on all important matters relating to insider trading while in possession of inside information. The policy aims at preserving the reputation and integrity of the Company as well as that of all persons affiliated with the Company.

The policy prohibits trading in the Company’s securities while in possession of inside information related to the Company, its subsidiaries, its sister companies or other companies which the Company has contractual relationships or may be negotiating transactions.

Similarly, the policy prohibits insiders from trading in securities of any other company while in possession of material non-public information about that company that was obtained in the course of their involvement with the Company. In addition, insiders may not communicate such information to any other person, including relatives and friends. Under this policy, insiders are prohibited from trading in the Company’s shares during the blackout periods as imposed by SCA and ADX, as well as the applicable regulations as per Euronext Dublin where e&’s bonds are listed, and in specific events, such as negotiation of mergers, acquisitions or dispositions, litigation, regulatory decisions, or other material events.

All insiders must obtain pre-approval from the Share Trading Compliance Committee prior to trading shares or bonds of the Company.

Insiders may trade in the securities of the Company when the trading window is open after obtaining written consent from the Share Trading Compliance Committee.

The members of e&’s Board of Directors and senior management are aware of their obligations for disclosure of their trading in the Company’s shares, and are fully committed to all requirements set by SCA, ADX and Euronext Dublin.

The Share Trading Compliance Committee works on establishing procedures, monitoring adherence to the rules of insider trading, monitoring trades and implementing the policy under the overall supervision of the Board of Directors of the Company. The committee consists of Group Chief Financial Officer, Group Chief Risk and Internal Audit Officer; the Group Corporate Secretary and the Vice President of Investor Relations. Mr. Mohamed Karim Bennis, Chairman of the Committee, commits that he is responsible for the Committee’s framework, reviewing such framework’s functionality and ensuring its efficiency.

The Committee plays an important role in overseeing and managing the insiders’ matters within e&. The principal responsibilities of the committee are as follows:

a. Develop and supervise the overall insider trading practice within the Company;
b. Oversee the effectiveness of controls and assessments to validate insider trading best practices and policies;
c. Conduct periodic reviews of insider trading practices;
d. Endorse remediation actions to address unforeseen deficiencies;
e. Ensure the development and maintenance of a special and comprehensive insiders’ register that provides insiders’ details, ownership and trading in e& securities and the relevant disclosures and approvals;
f. Monitor and oversee the trading;
g. Communicate with SCA and ADX on relevant matters;
h. Support awareness campaigns to all staff, executives and board members regarding the importance of insider trading, procedures and best practices;
i. Ensure compliance with applicable rules and regulations.
j. Review violations of the policy and recommend disciplinary actions; and
k. Carry out a review of the policy on a periodic basis.

During the year 2022, the Committee enhanced its e-services platform and built a rigorous and continuously updated insider trading database.
Special Resolutions

All shareholders of the Company have the right to vote on all decisions of the General Assembly, whether ordinary or special. The Company provides the shareholders with the mechanism for voting on these decisions in the invitation announcement. The Law and Articles of Association of the company also detail some decisions that also require the approval of the Special Shareholder.

The special resolution, as defined in the Company’s Articles of Association, is the resolution that requires approval of the Company’s General Assembly by votes of a majority of three fourths of the shares represented in the Company’s General Assembly. Special Resolutions are passed for specific matters as defined and set forth under the Company’s Articles of Association and applicable rules and regulations. The Company held a General Assembly meeting on April 5th, 2022 and passed the following Special Resolutions:

1. The AGM approved on a budget of not more than 1% of the Company’s net profits of the last two years (2020-2021) for voluntary contributions to the community (Corporate Social Responsibility), and to authorize the Board of Directors to effect the payments of such contributions to the beneficiaries determined at its own discretion.

2. The AGM approved amending some provisions of Company’s Articles of Association in line Federal Decree by Law No. 32 of 2021 Concerning Commercial Companies Law.
etisalat by e& recognizes the importance of innovation for the growth and development of all industries and organizations. Hence, etisalat by e& has embodied an innovation culture in order to remain competitive by introducing new products, processes, and technologies that improve efficiencies, increase agility and increase revenue.

The post-Covid telecom ecosystem has undergone significant and permanent changes, as businesses and consumers alike continue to opt for digital-first experiences; increasing the demand for reliable, high quality, and innovative mobile and broadband services.

In 2022, etisalat by e& lived up to its innovative promise, by accelerating its innovation drive across all parts of its operation. This was achieved by keeping in mind that an innovative strategy is not only about adopting technologies, but it is also about adopting an innovation culture and mindset across the organization. Going forward, etisalat by e& continues to seek better ways to operate, communicate and deliver value to its customers and shareholders.
Internal Innovations

Process Innovation

1. etisalat by e& continues to utilize advanced technologies to optimize its operations. In 2022, AI and advanced automation applications became a centre stage for etisalat by e&’s Al-first drive

   a. etisalat by e& Business has deployed RPA and AI technologies to better manage account cessation and verification activities.

   b. etisalat by e& Business also launched a fraud detection system utilizing AI to analyse historical information such as bad debt, payments patterns and customer tenure to avoid fraud in cases related to new subscriptions and SIM replacement.

   c. For Consumer Sales and Customer Care, etisalat by e& expanded utilization of automated, AI-driven applications:

      i. More than 400 processes covering 120 use cases are now managed by RPA bots, managing repetitive high-volume manual tasks in both Customer Care and Sales.

      ii. Launched etisalat by e& WhatsApp customer care channel, serving our customers faster and more efficiently, with notable enhancements in end-to-end interaction completion rates and satisfaction ratings.

      iii. Launched etisalat by e& employee ID cards. This automation has eliminated employee ID card issuance and eliminated the need for physical keys.

   d. Enablement of Disaster Recovery to further improve the robustness of our RPA platform.

2. Bundling Framework: a new bundling framework platform for business products, reducing time to market for launching core business bundles by up to 90%.

3. Introduction of SOHO Segment: etisalat by e& has introduced the Small Office Home Office (SOHO) segment to specifically target very small customers and start-ups with customized propositions.

   At a group level, we have launched HSE Center of Excellence; first of its kind in the region, offering Augmented Reality (AR) Fire Fighting solution with VR Evacuation experience for staff and contractors VR, mapping of e& High-Rise buildings for staff and Fire warden training purpose. We continue expanding the use of RPA across the organisation in order to improve efficiency. This year RPA was introduced to validate and certify over 2000 utility accounts. During the pandemic we introduced an RPA-Enabled PCR Validation & Access Control Integration with Al Hosn, which enabled seamless direct integration and access data based on staff’s COVID and Monkey Pox status in Government’s database.

When it comes to fleet management of e& corporate vehicles, we introduced an automated process for vehicle booking and implemented vehicle access through RFID installed in corporate fleet of vehicles, allowing staff to access vehicles using their e& employee ID cards. This automation has eliminated manual key issuance and improved vehicle safety. System reads the RFID number of e& employee and authenticates with authorized user data in e& system, before allowing access to the vehicles. Pre-authorization Trips, an automated process that allows users to pre-register their trip, thereby enabling better management of vehicles and trips by users of corporate vehicles.

Network Innovation

1. Global Network leadership: Fixed & Mobile: etisalat by e& maintained UAE’s position amongst the top 2 globally in Mobile Ookla Speed Ranking, and boosted UAE’s position to Number 4 globally along with being the 1st in MENA, for the first time in Fixed Broadband Speed Ranking.


3. Fiber-To-The-Yacht: etisalat by e& deployed the 1st commercial FTTY (Fiber-To-The-Yacht) project, in collaboration with Yas Marina authority as part of the F1 event requirement.

4. Autonomous network fulfilment for transport (DWDM) links: drastically reduced provisioning time for nodes and links.

Channels Innovation

1. Integration and adoption drive of UAE Pass: UAE Pass provides consumer and business customers with an additional layer of security. Further, the seamless integration of UAE Pass allows customers to securely access self-service digital channels, which is also an instrumental driver in enhancing experience for customers seeking to renew their registration.

2. Expanding ‘My etisalat’ app features and capabilities: ‘My etisalat’ app gained new payment methods and a new customized ‘deals for you’ section. Additionally, etisalat by e& customers can now complete a significantly wider array of tasks via their smartphones. Of note, ‘My etisalat’ app achieved record levels in terms of both penetration and satisfaction.

3. Exponential adoption of digital sales channels: driven by various campaigns such as ‘Online is better’, resulting in ~4x YoY growth in the penetration of digital sales.

4. Expansion of the personalized deals section ‘Make your own offer’ (MYOO): Providing customers with more options and flexibility to configure personalised postpaid deals in real-time and enjoy them instantly. MYOO utilizes advanced Machine Learning across the whole experience.

5. Continued the roll-out of Next Generation stores: 75 next-gen stores have been deployed across UAE by end of 2022. The stores provide a brand-new retail experience with a strong focus on self-service.

6. Increased Adoption of Self-Assisted Stations (SAS): The adoption of SAS channels increased by 15 p.p. YoY.

7. Business Unified Helpdesk: A unified helpdesk for bespoke business customers was launched, offering round the clock support through email, a dedicated toll-free number and a dedicated team of service advisors.

8. Business Global Helpdesk: An end-to-end support helpdesk for etisalat by e& global customers was launched, available round the clock.
Product Innovation

Etisalat by e& maintained its commitment to introduce the best and latest products for its customers. In 2022, etisalat by e& increased its digital drive by expanding its portfolio of digital services to serve the modern lifestyle needs of its customers.

1. **The commercial launch of GoChat Messenger**: an all-in-one free voice and video calling app, providing users with the flexibility of accessing unique features within one application. Adoption of GoChat quickly skyrocketed, reaching 2.5 million registered users by end of 2022.

2. **Smiles**: etisalat by e& continued to expand its presence into the highly engaging 100% online marketplace. Last year was another key year for Smiles with:
   a. Accelerated footprint expansion in the food delivery space, registering relentless growth since the launch of Online Food ordering in 2021.
   b. Expanding into the online grocery space via the acquisition of eGrocer and its integration into Smiles via a “shop-in-shop” concept, allowing a fully operational, Smiles-branded grocery experience for all UAE residents.
   c. Consequently, Smiles registered users exceeded 3,3 million by end of 2022.

3. **Entry to the Metaverse with the launch of ‘e& universe’**: at GITEX Global 2022, starting with Smart Home Zone, Arena Zone, Concert Arena & GITEX.

4. **Launch ‘GoWell’ fitness and wellness platform**: etisalat by e&’s first phase of the eHealth program launched with key features such as ‘know your health status’, ‘set your goals’ and ‘get rewarded for your achievements’.

5. **Launch of our Arena eSports OTT platform**: built around community engagement, competition for all levels and gaming content consumption, available via both free and paid subscription packages featuring a wide range of benefits, such as a lag-less low latency capability.

6. **Introduction of Easy Insurance**: etisalat by e&’s new innovative insurance platform hosting various digital insurance products and providing a state-of-the-art experience, and instant policy issuance. The platform is in continuous portfolio expansion mode via the addition of new categories, such as Health, Motor & Travel insurance products.

7. **Smart Living Spaces**: etisalat by e& teamed up with Samsung & Amazon in the smart living space technologies sector. This allowed etisalat by e& to become the master distributor for the entire range of Samsung smart devices, and to offer Amazon range of eero 6 & eero Pro 6 Wi-Fi mesh devices, as well as Echo smart home devices for the first time in the UAE. The Smart Living Spaces range is available across all etisalat by e& retail stores.

8. **eLife Ultra**: etisalat by e&’s next-generation portfolio of home internet plans, designed to meet UAE families’ home connectivity and digital needs. Within a few months from its launch, eLife Ultra has become our flagship fixed plan accounting for more than 85% of all new fixed subscriptions.


10. **Content Passes on Postpaid**: a new lifestyle bundle that offers customers dedicated data for their favourite content across four categories: Music, Gaming, Video and Connect (for social media).

11. **Emirati Wasel**: enabling our Emirati customers to create personalised plans digitally with exclusive connectivity and digital benefits.

12. **Business ON**: etisalat by e&’s first Plug-and-Play and cost-efficient broadband solution for Business customers, leveraging our 5G network.

13. **Business Pro**: etisalat by e&’s next-generation end-to-end internet solution, launched to aid SMBs in their digitization efforts. Business Pro bundles high-speed smart and secure connectivity with video and voice communications and advanced network security services.

14. **Private 5G Networks**: etisalat by e& has deployed the UAE’s first private 5G network in 2022 for a key business customer.

15. **SMB Digital Products and Services**: etisalat by e& expanded and launched several new propositions for the SMB sector in 2022, including:
   a. **SMB Digital services**: including VAT filing, Digital Signage, and Digital Security.
   b. **Office Presence**: offering a Unified Communication-as-a-service (UCaaS) based voice service for SMBs, replacing the legacy voice service. The service is bundled with domain name and eStore features.
   c. **SaaS Marketplace**: Expansion of the Software as a Service (SaaS) portfolio, on-boarded over 30 Individual Software vendors (ISVs), and with over 159 cloud-based pay-as-you-go subscription offerings.
   d. **Digital Marketing**: a managed services offering to manage customers’ social media campaigns across main social media platforms.
   e. **Video Surveillance 2.0**: expanded the Video Surveillance-as-a-Service (VSaaS) product proposition with new models of high specification cameras with advanced security and smart detection features.

At e& enterprise, we have expanded our portfolio with cutting-edge advanced business solutions. In 2022, we launched the best-of-breed Contact Center as a Service (CCaaS) in partnership with NICE (world’s leading AI-powered CCaaS) to help our enterprise customers cope with their contact centre technology challenges and improve customer experience. Additionally, we have launched Engage X unit under e& enterprise cloud, which offers Communication Platform as a Service (CPaaS) to customise end-user customer experience journey, providing seamless, multi-channel communications.

During the same year, we entered into a strategic alliance with DataRobot to exclusively launch the first Enterprise AI as a Service (AlaaS) offering in the MENA region. The AlaaS is an end-to-end cloud offering for building, training, deploying, and managing AI and machine learning solutions and scaling AI life cycle at a fraction of the cost compared to in-house AI arrangements. AlaaS enables government and private enterprises to implement use-case driven AI solutions and creates business value with minimal investment in AI expertise.
Our cybersecurity arm, Help AG, powered by e& enterprise has launched a fully cloud-delivered Digital Risk Protection (DRP) service, providing comprehensive risk detection, incorporating deep and dark web modality, with market-lead remediation that lowers digital risk for organizations by identifying unwanted exposure and protecting against external threats. Furthermore, Help AG recently launched Cloud SOC to modernize security operations of large enterprise infrastructures in the region with analytics-powered solutions, uncovering unknown threats, provide powerful anomaly detection, and user & entity risk profiling, to ultimately defend attacks on enterprise assets.

At e& money, we have digitised our app onboarding journey with a 100% digital experience, customers can register for e& money app very fast. Rapid know your customer (KYC) data gathering and clearance infrastructure allows customers to complete all KYC needs without requiring a visit to a physical store. We have also enriched our payments ecosystem by adding gift voucher purchase including 30 different gaming vouchers with competitive prices, and also new biller institutions (ex. DEWA, ADDC, AADC), and enabling customers to add money using debit card and open banking, which is being widely accepted and growing at a phenomenal rate month-on-month.

At evision, we partnered with BeIN sports and ifland to broadcast FIFA World Cup on the metaverse, a first of its kind in the market bringing immersive experience into premium sports. Acquisition of Starzplay by evision leveraged the synergies on content & technology and is rolling out the white-labelled platform solutions with advanced capabilities through the launch of Shoq in Pakistan, Twist TV in Egypt, and re-launch of MobilyTV in Saudi, evision’s newly launched emasala Simply South is already in the top 5 most watched channels by Etisalat UAE customers, which broadcasts South Asian Movies directly after theatrical release. Starzplay, supported by evision and ADM, acquired the rights for Italian football Series A exclusively and launched the “Starzplay Sports” channels across the MENA stepping into direct Sports acquisition and changing media landscape in the region, evision also acquired T20 World Cup and Asia Cup strengthening its position to become exclusive “Home of Cricket” in the MENA region through its dedicated Cric Life channels hosting over 50 cricket boards. evision further extended the rights to Starzplay and into the MENA region.

External Innovations

Etisalat by e& continues to acknowledge its role as an innovation enabler in the UAE. In 2022, etisalat by e& partnered with leading public and private institutions to democratize access to technology and innovation, including:

1. **Emirati Start-ups Program**: A program launched in collaboration with the Ministry of Economy in celebration of UAE’s 51st National Day, offering exclusive benefits to Emirati start-ups on internet bundles, mobile plans, Microsoft 365 and much more.

2. **Strategic partnerships with Ministry of Industry and Advanced Technology**: With a strong contribution by etisalat by e&, the partnership aims to support and enable UAE manufacturers in their digitization and deployment of 4.0 Industrial Revolution applications.

3. **Collaboration with Artificial intelligence office**: etisalat by e& collaborated with the Artificial Intelligence Office to digitally transform coders in the UAE throughout their start-up journey.

e& enterprise continues to grow innovation & accelerate digital adoption in the community with fruitful collaborations and partnerships through its FutureNow Open Innovation Programme.

Other Innovations

We have redesigned our office workspace to drive collaboration as well as provide quieter corners to conduct activities requiring focus and concentration.

Stock write-off automation - Warehouse & Material Management teams automated fixed assets end-to-end write off process through Oracle. Through automation and re-engineering of write-off process, the liquidation/sale of scrap can be conducted much quicker and enables better price during sale of stock.

We have launched e& capital, the technology investment arm of e&, to support transformation and expand beyond e& core businesses. e& capital stays in tune with emerging global trends and invests in and supports innovation tech start-ups, which hold the potential to define the digital economy of future.
16 General Information

This part of the report tackles the information related to the holdings of e& shares and its performance in the year 2022.

16.1 Price of e& Share in 2022

The below table shows e& share price in 2022:

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<th>Open</th>
<th>High</th>
<th>Low</th>
<th>Close</th>
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<td>27.2</td>
<td>27.9</td>
</tr>
<tr>
<td>8-2022</td>
<td>25.9</td>
<td>26.1</td>
<td>25.7</td>
<td>25.7</td>
</tr>
<tr>
<td>9-2022</td>
<td>23.4</td>
<td>23.8</td>
<td>23.0</td>
<td>23.4</td>
</tr>
<tr>
<td>10-2022</td>
<td>25.4</td>
<td>25.8</td>
<td>25.0</td>
<td>25.8</td>
</tr>
<tr>
<td>11-2022</td>
<td>24.5</td>
<td>25.8</td>
<td>24.1</td>
<td>25.8</td>
</tr>
<tr>
<td>12-2022</td>
<td>23.4</td>
<td>23.4</td>
<td>22.8</td>
<td>22.9</td>
</tr>
</tbody>
</table>

Note: Share price as at the end of each month
16.1 Shareholders Holding 5% and above of e& Shares
The below table shows the details of shareholders holding 5% and above of e& total shares in 2022:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares</th>
<th>Shareholding Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emirates Investment Authority (EIA)</td>
<td>5,218,052,400</td>
<td>60%</td>
</tr>
</tbody>
</table>

16.2 e& Share Performance
The below chart show e&’s share performance compared to the General Index and FTSE ADX Telecom in 2022:

16.3 Shareholding Structure at the End of 2022
The below table shows the percentage of shareholding owned by different categories of shareholders as at the end of 2022:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Individuals</th>
<th>Corporate</th>
<th>Government</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>25.6%</td>
<td>4.3%</td>
<td>61.5%</td>
<td>91.4%</td>
</tr>
<tr>
<td>GCC</td>
<td>0.02%</td>
<td>0.2%</td>
<td>0.00%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Arab</td>
<td>0.03%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.03%</td>
</tr>
<tr>
<td>Foreign</td>
<td>0.01%</td>
<td>8.3%</td>
<td>0.00%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Total</td>
<td>25.7%</td>
<td>12.9%</td>
<td>61.5%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

16.4 Shareholding Volume Details
The below table shows the shareholding percentages to capital during 2022:

<table>
<thead>
<tr>
<th>Shareholding</th>
<th>Number of Shareholders</th>
<th>Number of Shares</th>
<th>Percentage to Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50,000</td>
<td>10,553</td>
<td>92,324,670</td>
<td>1.1%</td>
</tr>
<tr>
<td>50,000 to less than 500,000 shares</td>
<td>2,681</td>
<td>433,305,318</td>
<td>5.0%</td>
</tr>
<tr>
<td>500,000 to less than 5,000,000 shares</td>
<td>757</td>
<td>1,108,240,925</td>
<td>12.7%</td>
</tr>
<tr>
<td>5,000,000 shares and above</td>
<td>113</td>
<td>7,062,883,087</td>
<td>81.2%</td>
</tr>
<tr>
<td>Total</td>
<td>14,104</td>
<td>8,696,754,000</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Governance Report 2022

Key Events

e& Group continued to achieve unprecedented levels of growth during this remarkable year which witnessed a strong performance and outstanding achievements. In it, e& revealed its new brand and moved ahead in strengthening its international presence and nurturing its investment in the future. In addition, the Company achieved a strategic progress in all its business units and added sustainable value to all stakeholders.
January
Etisalat Crowned Strongest Telecom Brand in the World
Etisalat became the first brand from the MEA region to achieve this global recognition by Brand Finance among 500 global brands. With a telecom portfolio brand value of over USD 12.5 billion, Etisalat also retained its position as both MEA’s most valuable telecom portfolio as well as strongest brand across all categories.

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

February
Unveiling of New ‘e&’ Brand Identity
The new brand demonstrates the Group’s commitment to become a global technology and investment conglomerate that accelerates the digital transformation journey while empowering societies.

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
Investment in Vodafone
e& acquired 9.8% equity stake in Vodafone Group plc (“Vodafone”), in line with the Group’s ambition to enhance and develop its international exposure.

UAE Maintains Global Lead in Fibre to the Home Penetration
Supported by e&’s continuous investment in fibre and telecom infrastructure, the UAE ranked number one for the highest Fibre to the Home (FTTH) penetration, maintaining its position atop the rankings that it has held since 2016.

Investment in Vodafone
etisalat by e& launched its GoChat Messenger in the UAE, an all-in-one free voice and video calling app.

Journey to Net Neutrality
etisalat and G42 completed the transaction to combine their data centres in the UAE, creating the Middle East’s largest data centre provider through a new JV under the brand ‘Khazna’.

June
Formation of Khazna
e& and G42 completed the transaction to combine their data centres in the UAE, creating the Middle East’s largest data centre provider through a new JV under the brand ‘Khazna’.

Launch of ‘GoChat Messenger’
etisalat by e& launched its GoChat Messenger in the UAE, an all-in-one free voice and video calling app.

July
Rebranding of ‘eWallet’ as ‘e& money’
e& money, a financial super app, is an innovative, end-to-end technology solution serving the financial needs of banked, under-banked and unbanked segments as well as merchants and businesses.

August
Increased Investment in Vodafone Group plc
e& announced that it increased its stake in Vodafone Group to 11% of the company’s issued share capital.

e& enterprise Enhances Capabilities in Cloud Management
e& enterprise formed a joint venture with Bespin Global to offer cloud managed and professional services in the METAP region.

e&’s Investment Grade Rating Affirmed
S&P Global affirmed e&’s high investment grade credit rating at ‘AA-/Stable Outlook’, attributed to the company’s strong fundamentals.

September
Partnership with FORMULA 1 ABU DHABI GRAND PRIX
etisalat 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, bringing the best in entertainment and digital experiences for residents and motorsport enthusiasts alike.

Acquisition of Starzplay Arabia
E-Vision and ADQ, an Abu Dhabi-based investment and holding company, successfully completed the acquisition of 57% of Starzplay Arabia, a subscription video on demand (SVOD) and streaming service provider in the Middle East and North Africa.

Launch of ‘GoChair’
etisalat announced its foray into the consumer digital health space with the launch of ‘GoWell,’ a fitness and wellness platform designed to empower subscribers to achieve their health and wellness goals while receiving a series of rewards and cashback incentives.

October
Announcement of e& capital’s VC Fund and Latest Deals
e& capital disclosed its latest deals and provided insights into how e& plans to further progress its aspirations as a global technology and investment conglomerate through its USD 250 million e& capital Venture Capital (VC) fund.

November
Etisalat Named ‘Most Valuable Emirati Brand’ for 2022
e&, formerly known as Etisalat, was named the most valuable UAE brand of the year by the world’s leading marketing data and analytics company, topping the list across all categories in the UAE.

Creation of ‘GoWell’ Rewards-Based Wellness app
e& announced its foray into the consumer digital health space with the launch of “GoWell,” a fitness and wellness platform designed to empower subscribers to achieve their health and wellness goals while receiving a series of rewards and cashback incentives.

Commitment to Net Zero at COP27
e& committed to achieving a net zero operation by 2030 during its participation at COP27, becoming the first UAE private sector entity to join the UAE’s Independent Climate Change Accelerators to expedite its climate to accelerate its climate action efforts and support the UAE’s net zero strategy.

December
Increased Investment in Vodafone Group plc
e& announced that it increased its stake in Vodafone Group to 11% of the company’s issued share capital.

e& enterprise Enhances Capabilities in Cloud Management
e& enterprise formed a joint venture with Bespin Global to offer cloud managed and professional services in the METAP region.

Chairman of the Board of Directors