e&

etisalat and

The Future. Redefined

Integrated Annual Report 2023

Theme of the Year

The Future. Redefined

2023 has been a landmark year in e&'s journey to build the future and become a leading global technology group. Through strategic focus and purpose-driven progress, we have achieved remarkable milestones and delivered another record performance, firmly establishing e& as a transformational force within our core markets and across our ever-expanding international footprint.

Our e& 2030 strategy is pivotal in transitioning from regional telecommunications dominance to a balanced global presence, with scaling non-UAE and non-telco verticals. We have actively pursued growth through strategic investments and the integration of telecommunications assets in mature, stable markets, driving increased revenue and capitalising on synergies to enhance our scale and capabilities. In parallel, we continued to explore expansion within our existing markets, including potential acquisitions and exciting opportunities in disruptive technologies.

This year, e& transcended traditional industry boundaries, leveraging our robust platform to launch groundbreaking products and services. Our commitment to innovation has seen us expand into new territories and sectors, effectively blending technology with creativity to meet the evolving needs of our customers. Our strategic partnerships, both local and international, have broadened our reach and deepened our impact, allowing us to offer more dynamic, customer-centric solutions.

Our customers remain at the heart of everything we do. In 2023, we intensified our focus on customer experience, investing in state-of-the-art technology to enhance service delivery and satisfaction. This approach has translated into higher customer loyalty and engagement, reinforcing our position as a customer-first organisation. Our dedication to understanding and meeting customer needs has been a key driver of our success, bolstering our brand and setting us apart in a competitive market.

Navigating the complexities of the global market, e& has not only sustained its growth trajectory but also reinforced its commitment to sustainability and social responsibility. Our initiatives in green technology and community engagement reflect our resolve to make a positive environmental and social impact. As we look to the future, our ambition has no boundaries. With a clear vision and unwavering determination, e& will continue to redefine our industry while shaping a more connected, sustainable and innovative world.

About e&

Established in Abu Dhabi in 1976, e& Group delivers world-class digital solutions, smart connectivity and next-generation technologies to over 170 million government, enterprise and consumer subscribers. Committed to creating sustainable value for all its key stakeholders, e& pursues growth and excellence across its telco and techco verticals in 32 countries across the Middle East, Asia and Africa, as it builds momentum towards its vision as a leading global technology group.

Awards and Recognitions

Recognition drives us to redefine the future

e& etisalat and

Global Brands Magazine (GBM)
- Best Employer Brand MENA
- Fastest Growing Digital Transformation Brand

Brand Finance
- Fastest Growing Tech Brand in MEA
- Most Valuable TMT Brand Portfolio in MEA

Samena LEED Awards
Outstanding Digital Transformation Enabler

Telecom Review Excellence Awards
- Best Employer Initiative
- Global Merit Leader CEO of the Year

2023 Middle East Investor Relations Association (MEIRA) Awards
First Place for "Best IR Reporting Digital Category Large-Cap Middle East"

e& UAE

Samena LEED Awards
Best 5G-to-B Innovative Advancement

Brand Finance
- Strongest Telecommunications Brand Globally
- Strongest Brand in MEA across all Categories

Telecom Review Excellence Awards
- Best 5G Advanced Deployment
- Best ICT Investment

GCC GOV HR Awards
Employer of the Year

e& international

Telecom Review Excellence Awards
Best ICT Investment

HR

Middle East Management Excellence Awards
Diversity and Inclusion Initiatives of the Year

Sustainability

Global ESG Awards
Sustainable Community and Green Buildings

US Green Building Council and Green Building Certification
Al Kifaf Building in Dubai awarded with LEED Gold Certification

C&W

Carrier Community Global Awards
Middle East Operator of the Year

e& in Numbers

32 countries, **2** continents

~850 million aggregate population

>170 million subscribers

Sustainability Highlights

MSCI: "A" rated

FTSE4Good: Constituent company in the FTSE4Good Index Series

CDP: B score

SCIENCE BASED TARGETS: Scopes 1, 2 and 3 GHG reduction targets- SBTi validated

2023 At a Glance

Financial Highlights

53.8
AED billion
Revenue

26.1
AED billion
EBITDA

49
%
EBITDA Margin

10.3
AED billion
Net Profit

0.77
(X)
Net Debt to EBITDA

7.3
AED billion
Capex

18.8
AED billion
Operating Free Cash Flow

80
Fils
Dividend Per Share

Revenue[1]
(AED billion)

EBITDA[2]
(AED billion)

Net Profit
(AED billion)

Net Profit Margin
(%)

Dividend Per Share
(AED)

EBITDA Margin
(%)

[1]Revenue increased by 8.3% year-on-year in constant currency in FY 2023
[2]EBITDA increased by 3.7% year-on-year in constant currency in FY 2023

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01 Overview

Reliable
Network

>170 million
Aggregate Subscribers

Our Journey

For almost five decades, e& has powered innovation and ambition for the public sector, private companies and millions of people across the UAE and across our international footprint. Our extraordinary journey to become a leading global technology group continues to take shape, as we invest and partner to build the future of telecommunications and technology and create sustainable value for our shareholders.

1976
- Emirates Telecommunication Corporation is founded

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2023
- e& will acquire a majority stake of 50% + 1 economic share in PPF Telecom (Bulgaria, Serbia, Hungary, and Slovakia)
- e& acquired a majority stake in Careem Everything App, an investment of $400 million for a stake of 50.03%
- PTCL to acquire 100% stake in Telenor Pakistan
- e& announces commitment to achieve net-zero carbon emissions by 2040 in scope 1 and 2.

Year in Review

e& maintained its focus on building the future while strengthening its growth trajectory during 2023, expanding, investing and optimising the Group to redefine both in the industry. The Group's outstanding achievements and memorable milestones further reinforced the Group's remarkable resilience, positioned the Group for accelerating organic and inorganic growth and demonstrated its commitment to its shareholders and all its stakeholders as a dynamic and diversified global technology leader.

January

Named MEA's most valuable portfolio[1]
e& consolidated its position as the most valuable portfolio of telecommunication brands in the MEA region, exceeding USD 14 billion. e& UAE, the Group's largest telecommunication brand, also retained its position as the strongest telecommunication brand across all categories in the MEA region, achieving a score of 89.1 out of 100 and a AAA rating.

February

Completed acquisition of "ServiceMarket"
e& UAE completed the acquisition of 100% of online marketplace Service Souk DMCC "ServiceMarket." This will complement e& UAE's existing "Smiles" marketplace services, which already includes online food and grocery delivery, lifestyle offers and the ability to earn and redeem points at more than 10,000 outlets across the UAE.

Increased stake in Vodafone Group
e& increased its stake in Vodafone to 14%, demonstrating clear progress in delivering the Group's strategy to expand and develop its international footprint, and create a wide range of strategic synergetic opportunities.

March

Boosted user experience with Ericsson
e& UAE and Ericsson demonstrated an uplink data peak rate of 2.1Gbps using 5G dual connectivity and carrier aggregation software features, which will enable uplink-heavy applications at venues or in industrial settings.

Partnered with Mastercard
e& money announced its partnership with Mastercard to transform and evolve the way customers make payments via an exclusive prepaid card.

April

Committed to the UN's Women's empowerment principles
e& announced its commitment to adopting the United Nations' Women's Empowerment Principles, reiterating the Group's support for women's empowerment and gender equality in the workplace.

May

Forged strategic relationship with Vodafone Group across MEA
The Group strengthened its strategic relationship with Vodafone Group to include collaboration across a broad range of growth areas, including enterprise, procurement, CWR, and technology, in order to unlock benefits from each other's respective operational scale and complementary geographic footprint.

Formed a joint venture with Circles
e& international entered into a strategic partnership with Singapore-based telecommunications Circles to bring best-in-class digital experiences to customers across its operating markets.

Launched joint venture with Bespin Global
A new joint venture between e& enterprise (65%) and Bespin Global (35%) was launched to offer public cloud managed and professional services in the Middle East, Turkey, Africa and Pakistan (METAP). e& also invested USD 60 million for a ~10% stake in Bespin Global.

June

Recorded significant progress on 2030 net-zero targets
e& announced that it is on track to meet its 2030 net-zero target, as it accelerates the implementation of climate action projects across its UAE operations.

July

Acquisition of majority stake in Beehive
e& enterprise successfully completed the acquisition of 63.3% of Beehive for USD 23.6 million. Beehive is the first regulated crowdfunding platform space in the UAE, with operations in KSA and Oman. It connects creditworthy SMEs seeking finance with investors, both private and institutional, offering conventional as well as Sharia-compliant loans.

Launched "Charge & Go" to fuel a greener tomorrow
The Group is rolling out Electric Vehicle (EV) charging hubs with the soft launch of "Charge&Go", a decision timed to sync with the growing number of EVs on local roads and the need for quick and easy access by drivers to charging networks.

Won first enterprise collaboration with Vodafone Business
e& and Vodafone Business marked a significant strengthening of their enterprise collaboration with the first joint major customer win.

August

Binding agreement to acquire a controlling stake in PPF Telecom
e& signed a binding agreement with PPF Group to acquire a controlling stake (50% + 1 economic share) in PPF Telecom's assets in Bulgaria, Hungary, Serbia, and Slovakia.

Accelerating progress on venture investments
e& capital secured two milestone transactions, leading the Group's investment in the USD 5 million Series A financing round of Maxbyte to strengthen the company's market expansion and product development. It also announced its participation in the Series A financing round for Ikigai Labs, a pioneering firm harnessing the power of generative AI for tabular data, and that it led a USD 60 million Series B funding for Airalo, the eSIM marketplace that aims to expand its global presence.

Completed groundbreaking 5G-Advanced network speed trials
e& UAE achieved 10Gbps throughput on the 6GHz band, a significant milestone that positions the UAE at the forefront of 5G-Advanced network capabilities globally.

October

Introduced AI-powered self-service telecom store
e& UAE's autonomous store experience, "EASE", will bring the future of retail to the UAE, with its combination of AI, machine learning, facial recognition, smart gates, robotics, smart-shelves and smart dispensing machines to help customers to seamlessly purchase its products and services.

November

New Federal Royalty Guidelines for the Period 2024 – 2026
The Ministry of Finance has communicated guidelines that outline the details of the new Telecom Federal Royalty regime that will be effective from January 2024. This is in addition to the Corporate Tax Law.

December

Successfully Signed AED 366 million Green Loan Agreement
The agreement amounts to AED 366 million (circa USD 100 million) were the proceeds of the loan will be used to finance eligible green projects, This signifies the Group's commitment to sustainable practices and responsible financial management.

Completed acquisition of Careem Everything App
e& successfully acquired 50.03% of Careem Technologies (known as Careem Everything App) in exchange for an investment of USD 400 million that will be invested to grow the business.

PTCL Group to Acquire 100% Stake in Telenor Pakistan
PTCL Group, a subsidiary of e& with effective economic ownership of 23.4%, has signed a Share Purchase Agreement with Telenor ASA ("Telenor") to acquire a 100% stake in Telenor Pakistan based on an Enterprise Value of PKR 108bn on a cash free, debt free basis.

1. According to the 2023 Brand Finance Global 500 Report released at the World Economic Forum (WEF) in Davos.

Where We Operate

~850 million
Aggregate Population

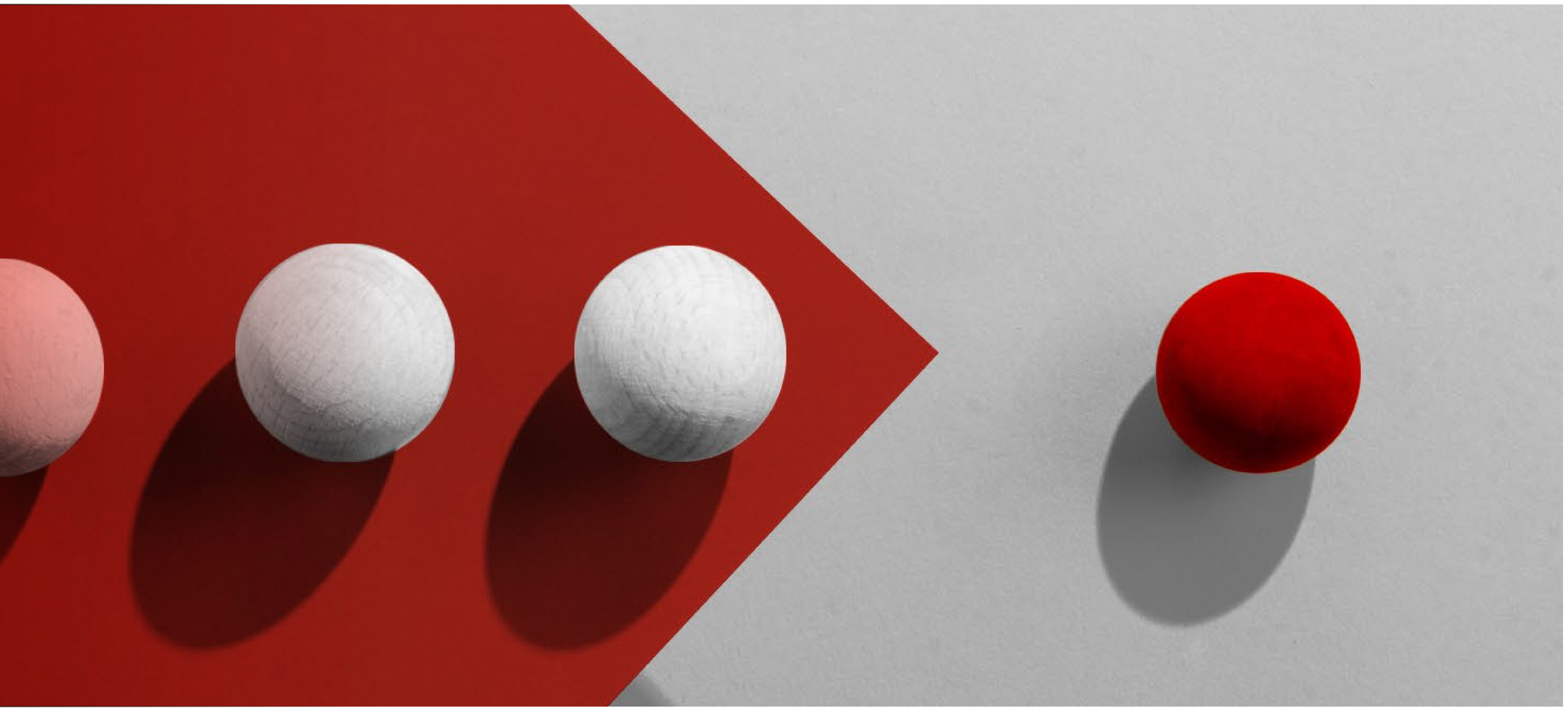
>170 million
Aggregate Subscribers

e&, Starzplay, and Careem Everything	2
e& and Starzplay	4
Starzplay and Careem Everything	1
e& Only	10
Starzplay Only	15
Total Countries	**32**

Saudi Arabia	Iraq	Benin
United Arab Emirates	Kuwait	Burkina Faso
Jordan	Lebanon	Central Republic Africa
Egypt	Libya	Gabon
Morocco	Tunisia	Ivory Coast
Pakistan	Oman	Mali
Mauritania	Yemen	Niger
Algeria	Palestine	Togo
Bahrain	Qatar	Chad
Djibouti	Sudan	Afghanistan
Eritrea	Syria	

Investment Case

e& provides a compelling and diversified investment proposition that benefits from its market-leading scale and position across its footprint, by leveraging its core telco business and rapid innovation across its diversified Group portfolio, while also tapping into the sustainable growth potential of its forward-thinking investments, diverse partnerships and ambitious vision to become a leading global technology group.



Maximising value and resilience of world-class telco business

- Growing subscriber base by 7 million to reach a total of >170 million as of year-end 2023
- Diversified business portfolio across 32 high growth and high cash flow generating markets
- Leveraging strength of flagship destination in the UAE (revenue growth of 6.1% and EBITDA margin of 52%)
- Offering a comprehensive portfolio of telecommunicatiion products and services to consumers, businesses and government segments in multiple regions
- Network leadership in home market with best-in-class mobile and fibre networks, including the fastest 5G network in the world
- Strong growth in a constant currency in international markets (revenue growth of 10% and EBITDA growth of 5%)
- Expanding into eastern Europe with PPF transaction, expected to close in the second half of 2024

Scaling digital agility and leveraging profound synergetic opportunities

- Strengthening leadership position in enterprise digital services, including cloud, cybersecurity, AI and IoT, and entertainment
- Growing and diversified array of digital services, most notably through Careem Everything App, STARZPLAY Arabia and WioBank
- Expanding e& enterprise's offering through multiple milestone transactions, including Help AG, Khazna, BESPIN Global and Beehive
- Investing in new technology-based business models, such as Airalo, Maxbyte and Ikigai Labs
- Exciting demographic opportunities across key markets

Delivering outstanding financial performance supported by robust fundamentals

- Among highest industry credit ratings, reflecting strong cash flow, unique cash position and disciplined approach to capital spending
- Healthy EBITDA margin of 49%, amongst the highest in the telecommunication industry worldwide
- Record level net profit of AED 10.3 billion in 2023
- Delivering consistent dividends despite macro-economic turbulence, with possible increase
- The introduction of a new progressive dividend policy for the upcoming three years (2024-2026)[1]

Spearheading transformation to a global technology group integrated with robust ESG commitments

- MSCI Global Index ESG rating of "A", among top third of global corporations
- Inclusion in FTSE4good Index
- Revamped ESG strategy and signed pledge to align with the UAE's net-zero by 2050 strategic initiative
- Strong commitment to Diversity, Equity and Inclusion (DEI), including increasing female management
- Robust ESG governance framework, with ESG initiatives overseen by Board and Steering Committee
- Successfully Signed AED 366 million Green Loan Agreement

[1]the new policy is subject to AGM approval.

Stakeholder Engagement

e& believes that the long-term success and sustainability of our business depends on strong, transparent and supportive partnerships with our key stakeholders. As such, we proactively engage with them through a wide range of channels and activities, listening to their feedback and implementing their suggestions in order to continue to improve and create more value for them all.

Workforce

How we engage	• We ensure a strong connection with employees through regular communication. An Employee Voice Survey aids in evaluating policies to optimise the working environment. • Professional development flourishes through programmes like "License to Lead", GOLD leadership curated with top business schools, AI Graduate Programme, and e& coaching hub. • Work-life balance is valued, offering flexible remote work, extra days for new mothers, parental leave, and "Green Fridays" focusing on sustainability. • Inclusivity and diversity are priorities, evident in collaborations with Nokia and UN Women, inclusive events and awareness weeks. • Wellness programs including fitness challenges and mental health support are foundational.
Key issues/ items discussed	• Our Townhall meetings serve as crucial forums where we delve into significant topics fostering an environment of transparency and collaboration. These sessions are instrumental in aligning our collective vision, discussing key milestones and charting the course for our continued success.
Any actions from these discussions that have/will be implemented	• Our pulse surveys serve as a catalyst for actionable change within our leadership. Insights gleaned from these surveys are diligently acted upon, fostering continuous improvement and accountability within our organisation's leadership.
How we create value for this stakeholder group	• Attracting and retaining top talent globally is our priority, nurturing our critical talent pool. • We prioritise a people-first experience, focusing on inclusivity, purpose, and wellness, which drives engagement in our diverse workplace. • Career development programmes to nurture competitive talent for the digital era through rotation and secondment opportunities.

Stakeholder Engagement (continued)

Business Partners

How we engage	• We engage through regular meetings, webinars, and workshops to discuss potential collaborations. • We regularly survey our partners to obtain their feedback on our engagements. • Formed a strategic collaboration with Maxbyte Technologies, to provide advanced solutions for Industry 4.0 and bolster collaboration in the areas of IoT and digital transformation strategies. • Established several partnerships with the key AI market players, such as Snowflake, Data Robot and Informatica, to widen our portfolio and reinforce market positioning. • Partnered with Microsoft to help businesses on their sustainability journey to provide Sustainability-as-a-Service, highlighting the platform's comprehensive treatment of ESG issues.
Key issues/ items discussed	• Identify additional opportunities to enrich relationships and create value. • Avoid potential conflicts of interests. • Increase the overall awareness and alignment of operational matters, such as regulatory compliance, and our strategic and operational initiatives. • Review ongoing key project milestones and activities.
Any actions from these discussions that have/will be implemented	• Identify the capabilities and challenges of our partners. • Identify the need to adjust the scope of current engagements. • Identify new and potential partners and opportunities, for example, we expanded our SMB marketplace in 2023 with several third-party digital solutions.
How we create value for this stakeholder group	• Leverage synergies, target diverse areas, and enlarge our portfolio of services. • Improve agility and time to market. • Expand partners' market footprint and jointly deliver value to our end customers.

Suppliers

How we engage	• We establish regular communications to explore better engagement opportunities. • Recognise those vendors who have added value to e&'s business through our annual Partner Recognition awards ceremony. • Establishment of e& vendor Accounts Relationship Management teams. • Work together to support suppliers to be In-Country Value Certified. • e& does an independent vendor satisfaction survey with its strategic vendors to strengthen its collaborative partnerships • Connecting suppliers with related Ministries for better local economy support initiatives.
Key issues/ items discussed	• Sustainability and exploring how e& can achieve scope 3 objectives through supplier partnerships. • End user feedback on better supplier performance. • Ensure supplier interests are fulfilled in a manner to improve partnership engagement. • Encourage suppliers to be In-Country Value Certified.
Any actions from these discussions that have/will be implemented	• Sustainable procurement initiatives with supplier ESG ratings. • Risk rating of suppliers when on boarding and at the time of awarding a sourcing project. • Improve In-Country Value score on a yearly basis, reflecting better Emiratisation, local manufacturing and investing.
How we create value for this stakeholder group	• Negotiate favourable terms to reduce procurement costs. • Partner with vendors that offer eco-friendly products and solutions, aligning with green energy initiatives. • Collaborate on sustainable practices, recycling programmes, and reducing the carbon footprint in the supply chain. • Collaborate with vendors to identify and mitigate supply chain risks.

Stakeholder Engagement (continued)

Customers

How we engage	• We accelerated the adoption of digital channels enabling real time engagement with our customers across all touchpoints of their journey using digital and physical channels. • We engage with enterprises, government entities and SMB customers via dedicated relationship managers, providing strong account management support. • Periodic engagement also through digital surveys, user-friendly website, mobile app and various social media platforms. • Our Open Innovation Centre has been a beacon of innovation, attracting over 1,000 visits since its inception. • Showcase our end-to-end digital transformation capabilities at GITEX. • Regular events at the e& enterprise Open Innovation Centre.
Key issues/ items discussed	• The changing needs of customers and how best to address them. • Future collaboration opportunities. • Customer loyalty, advocacy and satisfaction with our products, networks and customer care. • Showcasing new products and services for business customers enabled by the latest technology.
Any actions from these discussions that have/will be implemented	• We enhanced our roaming processes, providing customers with more freedom in choosing roaming networks. • Offered further personalisation through “make your own deal” for minutes and data bundles, and enterprises through “apps 360” for tailored solutions. • Offered tailored prepaid, postpaid and home propositions.
How we create value for this stakeholder group	• Adopted a customer-centric approach when developing products, services, processes and systems to meet our customers’ evolving needs. • Best-in-class network and customer experience and digital and core services for both consumers and enterprises. • Advanced digital solutions that continuously transform and enhance how companies do business.

Shareholders

How we engage	• We engage with our shareholders, investors and sell-side analysts from all corners of the globe through multiple channels, in order to ensure maximum efficiency and transparency in those engagements. • The channels include quarterly results calls, Annual Capital Markets Day events, Annual General Meeting (AGM), quarterly investor conferences, in-house meetings and conference calls. • We maintain an effective online channel of communication through IR email, IR section of the website, and IR application to respond to any enquires.
Key issues/ items discussed	• Group’s strategic outlook and how it can be accomplished. • M&A opportunities. • Capital allocation and dividend policy. • Sustainability practice and targets. • Update on the Group’s performance and key market. • Financial guidance.
Any actions from these discussions that have/will be implemented	• As a result of our diverse and frequent communication with the market, our methodology of communication to our investors evolves and is reflected on our disclosures. • Our Capital Markets Day materials are highlighting more information on the new consumer and digital verticals.
How we create value for this stakeholder group	• Our primary role is to offer clear and concise messages to the market, clearly showcasing the highlights of our investment thesis while ensuring transparency in the Group’s opportunities and risks. • Our commitment to achieving our guidance and improve shareholders return is key to aiding shareholders in making investment decisions.

Stakeholder Engagement (continued)

Community

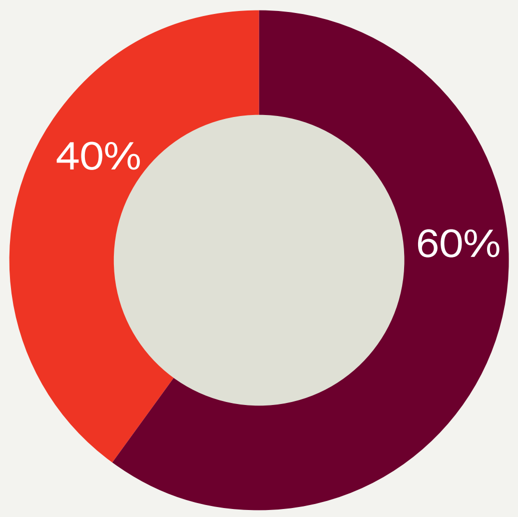
How we engage	• We actively engage in community outreach and partnerships with governmental and international bodies across various impactful initiatives. • Collaborating with the Ministry of Education, e& conducts annual virtual cybersecurity sessions, benefitting over 3,000 students and 1,142 parents • Empowering students and teachers with modern technology skills through coding sessions, benefiting over 600 participants. • Mobilised 80 volunteers who spent 182 hours packing 5,460 food aid boxes for earthquake victims in Turkey and Syria. • Conducted two blood donation drives collecting 159 blood units, potentially saving 420 lives in emergencies. • Donated network equipment to support Turkey Cell after a devastating earthquake, aiding in rescue and shelter operations.
Key issues/ items discussed	• We've tackled pivotal issues with key government partners to enhance the quality of life for People of Determination. • Valuing our elderly citizens, environmental conservation with WWF, cybersecurity education with the Ministry of Education and identifying gaps with Maan Authority.
Any actions from these discussions that have/will be implemented	• We're developing a solution to enhance the lives of People of Determination. Offering substantial discounts to elderly citizens, partnering with WWF on tree planting initiatives, conducting yearly cybersecurity programmes with the MOE, and formalising agreements with Maan Authority for mutual CSR-related progress are some of the steps we're taking.
How we create value for this stakeholder group	• At e&, we prioritise creating symbiotic partnerships that mutually benefit both e& and our collaborators, ultimately serving our community's needs while achieving our respective objectives.

Local and National Authorities

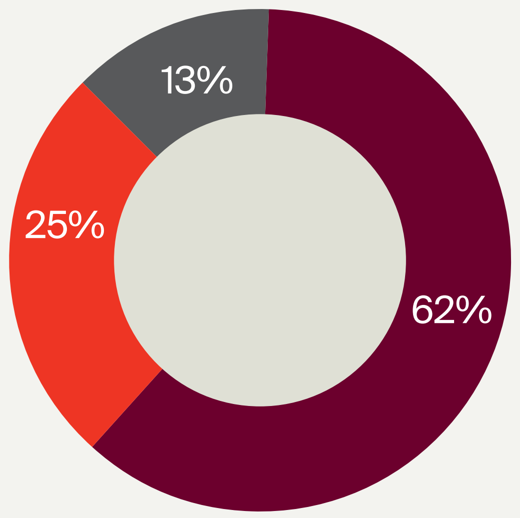
How we engage	• e& engages with the various regulatory bodies in the UAE (SCA, TDRA, Ministry of Finance) to best serve e&'s shareholders while ensuring compliance with existing regulations. • We discuss regulatory changes and seek guidance on compliance matters. • We participate in surveys disseminated to the listed companies as a way to voice our opinion into new market developments and regulations. • With TDRA specifically, we engage on regular basis via multiple modes of interactions, consultations, local and international industry conferences, and forums. • We are continuously in touch with ADX regarding our quarterly filing and corporate disclosures.
Key issues/ items discussed	• Clarifications on SCA's new regulations survey, etc. • Various telecommunications regulatory areas, including, fair and sustainable competition, pricing regulation, network sharing and access, consumer protection, national resources allocation, fraud prevention, etc. • Discussing the new Federal Royalty guidelines and the implementation of the corporate tax.
Any actions from these discussions that have/will be implemented	• We established policies and procedures to enhance transparency such as Board Directorship Policy, Conflict of Interest Policy, Dividend Policy, Insider Trading Policy, etc. • Many digital KYC processes are being launched, new network sharing and access arrangements. • Ministry of Finance issued the new Royalty guidelines in light of the corporate tax.
How we create value for this stakeholder group	• We collaborate closely with the Ministry of Finance to shape the fiscal regime for the UAE telecommunications sector, taking into consideration the long-term interest of the sector.

Shareholders' Information

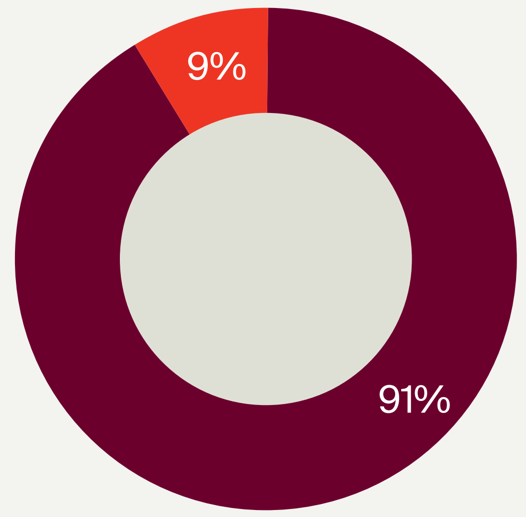
Overall Shareholding



Shareholding by Investor Type



UAE vs. Foreign Investors



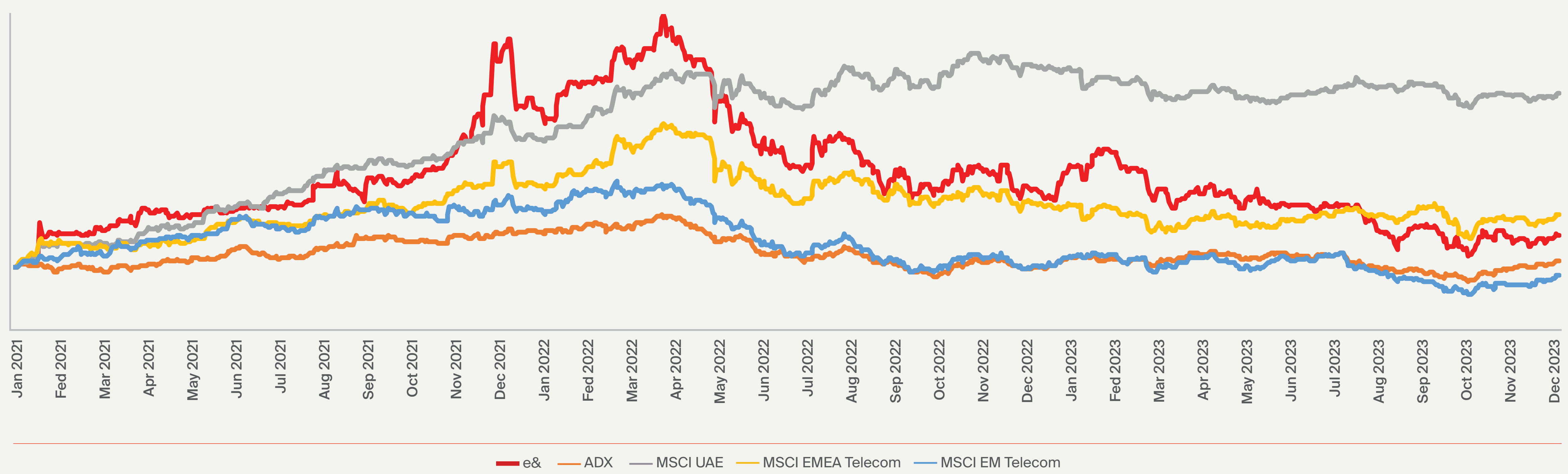
Dividend

4.1% Dividend Yield[1]

67.5% Dividend Payout Ratio (%)

AED 0.8 Total Dividend Per Share in 2023

Three Year Share Price Performance



[1]The closing e& price (AED) is 19.64

Share Credentials

Share Figures:	
Close (AED)	19.64
52-Week Maximum (AED)	27.22
52-Week Minimum (AED)	17.86
Average Daily Volume (Shares million)	1.87
Number of Shares (Shares million)	8,696
Market Cap. (AED billion)	170.8
Three Year Total Shareholder Return	23%

Index Constituencies

MSCI

Telecommunications

MSCI Emerging Market
(9% Weighting)

MSCI All Countries
(2% Weighting)

Local and Regional

MSCI UAE
(14% Weighting)

MSCI GCC
(3% Weighting)

Credit Rating

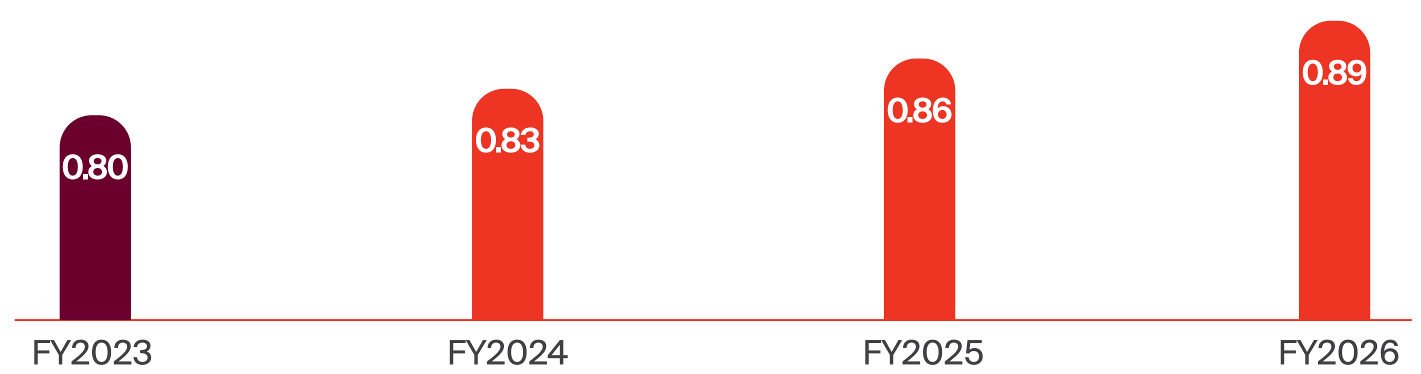
S&P Global Ratings

Rating: AA-
Outlook: Stable

Moody's

Rating: Aa3
Outlook: Stable

New Progressive Dividend Policy [2]



80 fils
Minimum DPS floor

2024-2026
Tenure of 3 Years

[2]The new policy is subject to AGM approval.

02

Strategic Report

53.8
AED billion
Revenue

10.3
AED billion
Net Profit

Chairman's Statement

e& has consistently adopted a distinctive approach and had a steadfast focus on improving lives, communities and the societies we serve, which holds as true today as it did at our inception.

Jassem Mohamed Alzaabi
Chairman

As we forge ahead on our journey towards becoming a global technology powerhouse, e& remains unwavering in its commitment to transformation. We are relentless in our pursuit of making the Group a beacon of innovation, progress and growth. Today, in the digital era, we are committed to excellence, not only to meet the demands of the present but also to proactively shape a promising future.

Our future-ready vision, fuelled by bold ideas, technological progress and an innovative spirit, continues to push boundaries and provides added value for our customers and stakeholders. Moreover, our evolution as a global technology group is marked by adaptability, agility and an unparalleled dedication to innovation.

Fulfilling our vision of growth

In 2023, we continued to achieve significant milestones through strategic partnerships and successful acquisitions, all fuelled by our commitment to providing innovative solutions beyond our customers' enhanced experiences to create lasting and sustainable investment prospects for our shareholders.

e& continues to achieve solid financial results with consolidated revenues of AED 53.8 billion, a record net profit of AED 10.3 billion, and strong top-line growth of 3 per cent. This demonstrates our successful business strategy as we advance into the future, renewing our relentless commitment to elevating our efforts in pursuit of achieving better outcomes for our shareholders and customers.

The e& brand reached new heights by becoming the "Fastest Growing Technology Brand" and maintaining the title of the "Most Valuable Brand Portfolio in the Middle East and Africa (MEA)", a recognition confirmed in the 2024 Brand Finance Global 500 Report. These financial and brand successes are a testament to the resilience of our solid business model and positive outlook.

Innovating for a sustainable future

Throughout our 48-year history, e& has consistently adopted a distinctive approach and had a steadfast focus on improving lives, communities and the societies we serve, which holds as true today as it did at our inception.

At the heart of our mission lies the creation of future-ready innovations, all driven by our key business pillars delivering a broad spectrum of innovative technologies and services to build robust foundations for a future filled with possibilities.

2023 marked a significant turning point in the global sustainability movement. Guided by the visionary leadership of the UAE, ESG and sustainability have been firmly established as cornerstones of its development agenda. At e&, we actively drive and shape the sustainability agenda and proudly lead initiatives that significantly contribute to this noble endeavour.

The crucial role we played in the success of COP28 stems from our firm belief in supporting the UAE's Vision. Continuing to lead by example, we remain on track to achieve our net-zero targets of scope 1 and 2 by 2030.

Sustainability remains at the heart of everything we do. It forms the very foundation on which our vision and purpose are built. We firmly believe that true progress can only be achieved when environmental and social responsibilities go hand in hand with technological advancement. By harnessing the potential of AI, cloud computing, the Internet of Things and 5G, we will continue to transform sustainable aspirations into realities.

A spirit of progress and collaboration

As we journey into 2024, progress, collaboration and innovation remain crucial catalysts for future growth.

We continue to be inspired by the UAE's leadership; their determination to push boundaries sets a remarkable example of what is possible when a clear vision aligns with excellence in execution. Similarly, our commitment to making e& an embodiment of innovation, progress and growth remains unwavering. Our vision is grounded in the dual objectives of delivering sustainable business growth and pioneering digital transformation technologies. From cementing our diversified business pillars to introducing new, impactful products and services, we are committed to empowering our >170 million subscribers across our operations.

AED
10.3 billion
Net Profit

AED
0.8
Dividend Per Share

New
Progressive
Dividend Policy

Group CEO's Message

Looking ahead, we remain committed to lead the charge in unlocking the potential of transformative technologies to empower the communities we serve.

Hatem Dowidar
Group Chief Executive Officer

Delivering on our promise

In 2023, e& has grown from strength to strength, adeptly embracing technology-driven innovations, navigating challenging market conditions and emerging even stronger, thereby strengthening our position as a leading global technology player.

Amidst the backdrop of rapid high-tech advancements, including the rise of AI, the pervasiveness of 5G, and burgeoning autonomous technologies shaping a complex technology landscape for the future, we viewed the challenges as opportunities for growth. Looking ahead, we remain committed to lead the charge in unlocking the potential of these transformative technologies to empower the communities we serve. We reinforced our partnerships, strategically acquired innovative players and asserted our expertise in the cloud and the Internet of Things (IoT). This proactive approach allowed us to emerge future-ready for the new technological paradigm.

A year of significant milestones

In light of the rapid changes shaping our world, redefining business strategies through the adoption of digital solutions and exploring new horizons is paramount. At e&, we embrace opportunities by envisioning future technological advancements and continue to deliver next-generation solutions that drive seamless digital transformation across industries, enhancing the quality of life for people globally and within our markets. Our determined focus on customer-centricity, international expansion, technological innovation, diversification into non-telco verticals and acquisitions and partnerships has paved the way for sustained long-term growth.

Our strong performance during 2023 demonstrated our resilience setting e& on a trajectory for future growth. e& reported consolidated revenues of AED 53.8 billion, growth of 8.3% year-over-year at constant exchange rates, fortified by the Group's successful business transformation, expanding to new business verticals and diversifying revenue streams. Consolidated EBITDA increased by 3.7% year-over-year at constant exchange rates to AED 26.1 billion, leading to an EBITDA margin of 49%, highlighting the strong profitability of e&'s operations. Finally, we delivered a record consolidated net profit of AED 10.3 billion, representing an increase of 3% year-over-year.

Getting future-ready

e&'s capabilities in AI, automation and digital solutions are geared towards bringing innovative products and services to the forefront of digital transformation and to enhance customer journeys. The launch of "EASE", the world's first AI-powered autonomous telecommunications store in the UAE, serves as a prime example of our AI and machine learning capabilities in action, addressing current and future customer needs. With "EASE", we proudly became the world's first telecommunications company to offer such a differentiated customer experience entirely anchored in AI, a proof to our capabilities in adapting, adopting and innovating new technologies.

By diversifying our portfolio to more stable currencies, we are strengthening our investment strategies to effectively mitigate the impact of currency fluctuations prevalent in some of our operating markets. Recent strategic moves, such as investments in Vodafone and the planned partnership through a majority stake in PPF Telecom, demonstrate our commitment to diversification and international expansion, particularly in Central and Eastern Europe.

Additionally, we are solidifying our operations in Pakistan through the recent 100% acquisition of Telenor Pakistan. This market consolidation will create long-term value by leveraging synergies that will drive innovation and enable an enhanced digital transformation journey.

In 2023, e& international's "Partner Network Programme" provided telcos access to cutting-edge expertise by leveraging our capabilities to create value for regional and local operators.

Leading the digital transformation journey across the business sector, e& enterprise made considerable acquisitions and formed major partnerships, with a majority stake in Beehive, MENA's leading peer-to-peer digital platform.

Through acquisitions like STARZPLAY and Careem Everything App, e& life is reinforcing its presence in Fintech and entertainment, underscoring our commitment to shaping the future of personalised digital experiences.

Sustainability is part of our DNA

At e&, sustainability isn't just a buzzword, it's an integral part of our DNA. In 2023, ESG took centre stage as we let our actions speak louder than our words.

To deliver on our pledge to achieve net-zero emissions across our operations by 2040 and the entire value chain by 2050, we rolled out multi-faceted strategies relating to energy efficiency, renewable energy and responsible procurement to drive down our environmental impact in our own operations and value chain.

COP28 presented an outstanding platform for e& to showcase its green connectivity solutions, IoT applications for climate resilience, net-zero 5G site and zero footprint RAN site deployment.

Our collaborative efforts and partnerships with the GCC Sustainability Alliance and Green Digital Action initiative have driven valuable conversations, collective action and knowledge sharing that will make a real difference now and in the years to come.

With Charge&Go, our electric vehicle (EV) charging network, we demonstrated our commitment to shaping a sustainable future while meeting the need for quick and easy access to charging networks.

With technological innovation, AI and sustainability as key pillars of e&'s future growth strategy, 2024 will be a year of decisive, tech-driven action as e& delivers on its promise to add real value to people's lives.

I want to express my appreciation to our talented teams for their efforts and innovative spirit, which remain the driving force behind our success. We also extend our gratitude to our loyal customers and shareholders for their continued trust in our vision. Moving forward, I am confident that our commitment to connecting people, businesses and communities through technology will continue to drive sustained future growth.

AED
53.8 billion
Revenue

49%
EBITDA margin

Business Model

Our Strengths | How We Create Value | Value Created for Stakeholders

Financials

Our Strengths

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

How We Create Value

- Strong focus on growth while maintaining efficient cost control and improving productivity
- Expanding geographical footprint while maintaining a leadership position in current markets
- Prioritising capital allocation to optimise value creation

Value Created for Stakeholders

- Consistent history of dividend payment (80 fils/ share) with new progressive dividend policy
- Robust EBITDA margin
- High credit ratings (AA-; Aa3 / stable outlook)

Diversified Portfolio

Our Strengths

- Operations in 32 countries[1]
- Diversified portfolio with mix of maturing high cash flow generating markets and high growth markets

How We Create Value

- Diversifying into non-telecommunication business by scaling up consumer and enterprise digital services
- Diversifying into new geographies with stable currencies and strong growth prolife
- Forming strategic partnerships and joint ventures and investing in pioneering start-ups

Value Created for Stakeholders

- No. 1 or No. 2 in value in most of our key markets
- Large customer base with over >170 million subscribers[1]
- Accelerating growth by investing in non-telco business (Careem Everything App, STARZPLAY, Help AG, Beehive, Bespin Global, etc.)

ESG

Our Strengths

- Dedicated sustainability function tasked to further embed sustainability across the Group
- Developing a comprehensive sustainability strategy aligned with business goals and societal expectations

How We Create Value

- Board sub-committee and management steering committee are driving the sustainability agenda forward ensuring focused governance and oversight

  Increased disclosure of relevant ESG metrics and clearer narrative of ESG work enhancing transparency, accountability and stakeholder trust
- Understanding and addressing sustainability material issues across our value chain

  Established an ESG network across the Group

Value Created for Stakeholders

- Maintained ESG performance and ranking in international indices (MSCI "A" rating), inclusion in the FTSE4Good Index and received "B" score in CDP
- Set carbon emission reduction targets. Our commitment to net-zero (Scope 1 and 2) by 2040 at Group level is validated by SBTi[2]
- Improved our diversity, equity and inclusion performance, with 25.8% women in our workforce and increased the number of women in management[3] by 12%

Our People

Our Strengths

- Diverse workforce with 74 nationalities
- Flexible working model including hybrid policy

How We Create Value

- Creating a culture of diversity and inclusion with equalised benefits for all employees
- Focusing on Emiratisation by hiring graduates to develop our future leaders
- Aligning compensation and the benefits framework with long-term strategic objectives

Value Created for Stakeholders

- Employment Engagement Index of 80%
- Featured by Forbes on the World's Best Employer List
- Certified as a Great Place to Work
- High gender diversity at 26% and record-breaking Emiratisation of 53% in the UAE

Networks

Our Strengths

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

How We Create Value

- Building one of the best network infrastructures in the world
- Investing in license and spectrum acquisitions to improve quality of service
- Enhancing and digitising customer experience (CVM, data analytics, etc.) and offering latest technologies

Value Created for Stakeholders

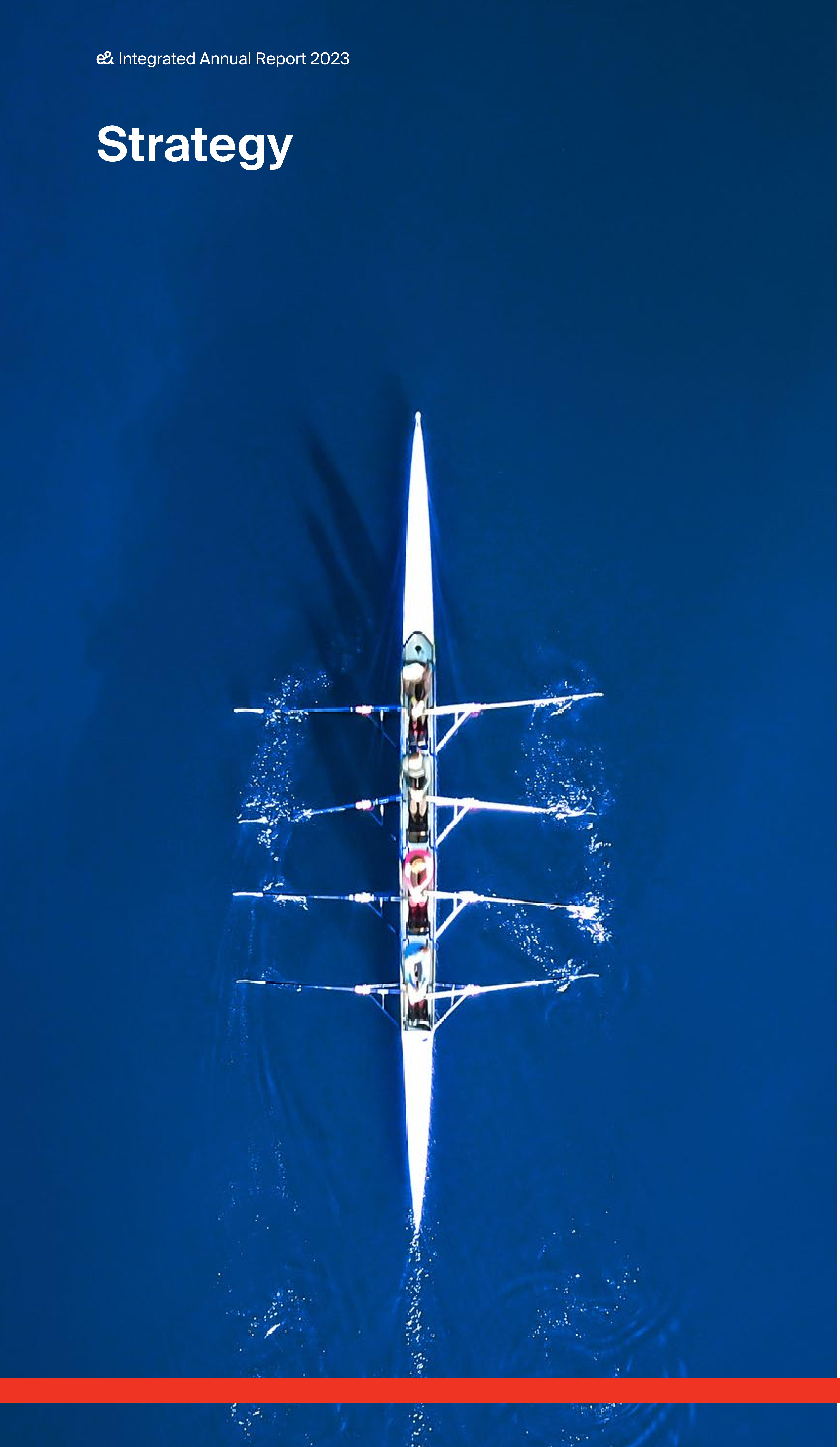
- Leading mobile network download speeds of 313 mbps3
- 5G penetration > 99% of population in the UAE
- UAE global leader in FTTH penetration (98%)

Our Values

- Be Customer-obsessed
- Unite as One&
- Dare to be Bold

1. Excluding countries from PPF Telecom transaction (Hungary, Bulgaria, Serbia, Slovakia)
2. Science-Based Target initiative
3. UAE operations

Strategy



Building from our strong foundations as a telco giant, operating across 32 countries and serving over 170 million subscribers, e& has strongly positioned itself with its solid financial performance, network leadership and brand value.

In 2023, e& continued its journey of transformation to a global technology group through its strategy execution by the Telco and Techco verticals and by acquiring high growth assets in the telecommunications and technology space.

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

ESG is a top priority and e& is committed to an environmentally sustainable future as well as fostering an engaged, diverse and inclusive workplace. Therefore, as part of our e& 2030 strategy, we declared our commitment to achieving net zero in the UAE for scope 1 and 2 emissions by 2030 through a mixed approach of abatement initiatives and carbon offsetting. In 2023, e& became the 'Principal Technology Partner' at the 28th Conference of the Parties to the UNFCCC (COP28) held in the United Arab Emirates.

Our Vision

To be a leading global technology group

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 Strategy

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

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

Strategy (continued)

Strategic pillar	e& UAE	e& international	e& life	e& enterprise
Mandate	**Provide integrated telecommunication services and digital/non-telco solutions for consumers, businesses, and government entities in the UAE.**	**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 across the world.**	**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.**	**Enable organisations to maximise their digital potential by designing, delivering, and operating impactful, intelligent, and secure end-to-end digital solutions through innovative digital value propositions.**
Strategic Priorities	• Grow share of wallet in core and beyond • Excel in world-class customer experience delivery • Transform into an AI and data-driven organisation	• Lead in organic telecom growth • Expand through M&A and digital MVNOs • Accelerate digital ecosystems • Drive scale synergies across the footprint	• e& money to be a leading regional Fintech player • evision to be a leading regional entertainment provider • Careem to become MENAP's leading everything app, and realise synergy with e&	• Lead in the UAE and accelerate growth in KSA • Reinforce capabilities through selected M&A and strategic partnership • Fuelling innovation through emerging technologies
KPIs	• Core revenue growth • Digital revenue growth • Lead in customer experience • FCF generation	• Organic revenue growth • Percentage contribution to Group financials • Digital revenue as a share of total revenues • Value of revenue and cost synergies extracted	• Revenue growth • Improving profitability margins • Expanding customer base	• Revenue • Profitability • Revenue outside UAE
2023 Key Achievements	• Revenue grew by 6.1% YoY and World-class EBITDA margin of 52% • Mobile subs grew by 3.7% YoY with the postpaid segment growing by 8.5% • Ranked number one globally for mobile broadband download speeds, fortifying UAE's rank as a global leader in terms of FTTH penetration • Launched first autonomous store utilizing AI, IoT and computer vision to offer a seamless, self-service shopping experience	• Organic revenue growth of 10% YoY in constant currency • Announced expansion into Central & Eastern Europe through majority stake investment in PPF Telecom • Established digital telco JV and launched first digital brand in Pakistan • Launched Partner Network Programme, • Strengthened AI and advanced analytics, delivering 36% uplift in AI revenue and 50% churn reduction • An NPS of #1 or #2 in 4 out of 5 of our key markets	• Closed Careem Everything App transaction in November 2023 • e&money became UAE's #1 Fintech App & the country's first nonbank card issuer • STARZPLAY achieved position #2 SVOD in MENA • evision launched ("StarzON") product integrated into STARZPLAY • Wio became profitable in less than 12 months post launch	• EngageX was recognised by IDC MarketScape as "Major Player" in WorldWide CPaaS 2023 Vendor Assessment • Help AG has been recognized as a leader in the IDC MarketScape[1] • Launch of the Region's Largest Cyber Defense Center (SOC) • Launch of Sustainability-as-a Service offering in partnership with Microsoft • Launch of AI As-a-Service, offering AI & ML proposition for automated data analysis • Acquisition of majority stake in Beehive • Completion of JV with Bespin Global
2024 Goals	• Strengthen our market leadership position • Deliver profitable revenue growth • Strengthen network leadership position • Enhance all key aspects of our customer experience offering • Continue AI transformation for innovative products, network operations, and customer experiences	• Accelerate organic revenue growth through NPS leadership and best-in-class CVM • Optimise portfolio with international expansion in stable markets • Expand and boost channels for digital telco • Leverage scale, realise synergies and extend Group best practices to newly acquired OpCos	• Enrich e& money application with new modernized digital products • Enrich the video content and expand into multiple entertainment verticals beyond video • Accelerate Careem Everything App growth within key Food, Grocery, Payment verticals • Accelerate e&life products and capabilities beyond the UAE	• Secure further key mandates and references in the UAE and Saudi Arabia • Expand capabilities through inorganic and strategic partnerships • Develop autonomous commercial and consulting capabilities in digital transformation • Focus on talent to build capabilities in areas such as AI and digital transformation
Principal Risks	• Uncertain global macroeconomic and geo-political situation • Intensified price-based competition for core telecommunication services • Enhanced market liberalization (OTTs, hyperscalers, satellites)	• Macro-economic risk of further currency depreciation and high inflation in key markets • Geo-political uncertainty impacting organic and inorganic growth • Regulatory risk impacting growth and profitability	• Unfavourable macro-economic conditions impacting consumer spending • Regulatory risks leading to delay in targeted launch of new products and acquisitions	• Shortage of digital talents in the market such as AI, Big Data, IoT, Blockchain and Cloud computing • Slower international expansion and partnerships due to external geopitical and economic conditions

[1] Gulf Cooperation Council Region Managed Security Services (MSS) Vendor Assessment, 2023"

Strategy in Action

Doubling down on the core

In the rapidly evolving digital landscape and growing threat from Over-the-top (OTT) players, e& UAE faced the significant challenge of amplifying its core revenue. The telecommunications sector was at a crossroads, requiring a strategic pivot to grow beyond traditional revenue streams. The opportunity lay in seamlessly integrating a diverse range of digital solutions to enrich the core offerings and cater to the dynamic needs of both consumers and businesses.

Double Down on Core

e& UAE embarked on a transformative journey, doubling down on its core business while diversifying into new digital realms. This dual-focused strategy was designed to add value to the traditional telecommunication services by intertwining them with innovative digital solutions, tailored for both e& UAE's consumer and business segments.

Empowering consumers

The Smiles loyalty platform was significantly expanded, doubling the services offered and marking a new era in consumer engagement. The introduction of Smiles Market, particularly focusing on the grocery segment, achieved a remarkable 5x growth in year-over-year revenue. The strategic integration of renowned online marketplaces, such as elGrocer and servicemarket, into Smiles successfully attracted over 3.5 million registered users, firmly establishing it as a leading loyalty platform.

Elevating business solutions

e& UAE reinforced its stature as a trusted business ally by delivering advanced ICT services over its robust network infrastructure. This included a spectrum of cutting-edge solutions such as AI enhancements, 5G applications, private networks and tailored managed services. These initiatives underscored our dedication to driving business innovation and digital transformation.

Redefining communication

The introduction of GoChat Messenger, an innovative all-in-one communication app, further highlighted our commitment to technological innovation. Surpassing 6.7 million downloads, GoChat Messenger provided a versatile communication platform, merging voice and video calls, messaging and more, thus setting a new standard in digital communication.

Transformative outcomes: growth, innovation and engagement

The strategic initiatives carried out by e& throughout 2023 have led to exceptional outcomes, underlining the effectiveness of our approach. The fusion of digital solutions with core telecommunications offerings spurred revenue growth and significantly enhanced the Group's profitability.

e&'s strategy to enrich its core offerings with digital innovations has delivered results, driving substantial revenue growth and diversifying income sources within the UAE. The diversification of revenue streams and enhancement of core services translated into improved profitability, demonstrating the financial success of e&'s forward-thinking approach.

Meanwhile, the expansion of the Smiles platform and the widespread adoption of GoChat Messenger significantly boosted customer engagement, affirming our status as a customer-centric telecommunications leader.

By integrating digital solutions with its core services, e& UAE has met the challenges of a rapidly evolving digital world while also establishing new benchmarks for success in the future.

Growing the core[(1)]

6.1%
Revenue Growth

6%
Revenue Growth of Consumer Segment

4.4%
EBITDA Growth

3.2%
Subscriber Growth

8.5%
Mobile Postpaid Subscriber Growth

[(1)] Figures are pertaining to e& UAE

Strategy in Action

Transforming into a diversified global technology group

While e& continues to excel as a telecommunications group, our future is certainly larger and broader than connectivity. As such, the Group has set an ambitious yet achievable strategic vision to transform from a Regional Telco to a Global Technology Group. This will be achieved by changing the business composition from being UAE telco-centric to a more balanced geographic profile with higher revenue contributions from outside the UAE and from the Group's non-telco verticals.

Diversify the Portfolio

To tackle this challenge, we revamped our strategy to prioritise our growth in line with our vision i.e. expand international telecommunications portfolio and expand into enterprise and consumer digital. This comprehensive strategy was complemented by strategic alliances forged with industry leaders and/or local enterprises, facilitating streamlined market entry and compliance with diverse regulations.

To realise our ambitions to become a Global Technology Group, e& launched a new operating model with five focused verticals supported by shared Group functions. This operating model will increase management attention and organisational agility of each vertical, enable seamless M&A execution, attract relevant strategic partners in line with growth objectives and facilitate attraction and retention of talent to drive each vertical forward whilst also enabling increased synergy capture across the Group.

Charting new horizons through strategic diversification

Upon becoming the largest shareholder in the Vodafone Group with a stake of 14.6%, e& entered into a strategic relationship with Vodafone Group across Europe, the Middle East and Africa. The strategic relationship enables collaboration across a broad range of growth areas, leveraging each other's respective operational scale and complementary geographic footprint.

e& UAE acquired ServiceMarket, a leading online marketplace for household services offering more than 40 services under several segments across the UAE. This acquisition strengthens Smiles' online marketplace presence and drives diversification of our business.

e& international signed a binding agreement to acquire a majority stake in the telecommunications assets of PPF Group and its infrastructure businesses (CETIN and O2) in Bulgaria, Hungary, Serbia and Slovakia. Its operations serve more than 10 million subscribers.

It also participated in the Pakistani in-market consolidation with our subsidiary PTCL Group fully acquiring Telenor Pakistan, subject to regulatory approval. This will see PTCL Group strengthen its position as a leading operator in mobile, fixed and microfinancing, serving more than 70 million customers.

In addition, e& international launched the e& Partner Networks Programme, which invites independent telecommunication companies from around the world to collaborate with our Group and benefit from our expertise across a variety of business verticals. The initiative, which has already resulted in MoUs with Tunisie Telecom, Azercell, Sudatel and Perfectum, is focused on adding measurable and meaningful top and bottom-line business impact.

e& life scaled up its consumer digital vertical by acquiring a majority stake of Careem Everything App. This investment will provide us access to new geographies where we can leverage Careem Everything App to expedite the expansion of e& money across a wider footprint.

It also acquired a majority stake in STARZPLAY Arabia, a leading Subscription Video on Demand (SVOD) and streaming service provider in the Middle East and North Africa (MENA). This acquisition will accelerate evision's development on the video streaming segment.

e& enterprise formed a joint venture (JV) "Bespin Global MEA" with Bespin Global offering public cloud managed and professional services in the Middle East, Turkey, Africa and Pakistan (METAP). This investment will expand e& enterprise's leadership position in cloud services in the region.

In addition, it acquired a majority stake in the Beehive Group, MENA's leading peer-to-peer lending platform, to tap into opportunities in the Small and Medium Enterprise (SME) lending market.

In 2023, e& maintained its course towards becoming a global technology leader, diversifying its portfolio and forging key partnerships. This strategic evolution highlights our commitment to innovation and global expansion, positioning the Group for sustained growth and enhanced stakeholder value in the technology sector.

16 New
Operating Countries[1]

10%
Revenue Growth[2]

4%
Subscriber Growth[3]

PPF Telecom Group

telenor

careem

(1) Excluding four countries pertaining to PPF Telecom Asset Transaction (Bulgaria, Hungary, Serbia and Slovakia).
(2) Growth in constant currency and excluding incremental revenue of approximately 14% and 11% to e&'s total revenues and EBITDA, respectively based on FY 2022 financials.
(3) Customer base to cross 200 million subscribers post closing ongoing M&A transaction.

Strategy in Action

Embracing the digital frontier

In an era marked by rapid technological evolution, e& faced the dual challenge and opportunity of transitioning from traditional operations to a cutting-edge digital landscape. The advent of 5G and advancements in AI, IoT and big data analytics presented a golden opportunity to redefine operational efficiency, customer service and revenue generation. Navigating this shift, we embarked on a strategic journey to transform our core operations to fully harness the potential of digitalisation.

Digitise and Transform

At the heart of e&'s transformation is a comprehensive strategy aimed at revolutionising both customer-facing and backend operations. This has involved:

Futuristic customer service: We introduced self-service options and personalised experiences, leveraging AI to meet and exceed customer expectations.

Automating for efficiency: Backend operations underwent a significant shift with the automation of processes, leading to faster execution and reduced manual errors.

Fortifying digital security: Recognising the importance of cybersecurity, we made significant investments to protect out digital assets against emerging threats.

Innovative AI deployments: The world's first AI-powered autonomous telecommunications store, "EASE", was launched, offering customers a seamless and futuristic shopping experience.

Transformative outcomes and benefits

The digital transformation of e& in 2023 heralded remarkable benefits:

Enhanced customer experiences: Streamlined services and personalised interactions led to expedited query resolutions and heightened customer satisfaction.

Operational efficiency and productivity: Automation and digital tools reduced errors and shortened task completion times, significantly boosting productivity.

Revenue diversification: New digital services and strategic partnerships opened up additional revenue streams, contributing to e&'s financial growth.

Skill enhancement and agility: Employees adapted to new digital tools and processes, enhancing their skills and the organisation's overall agility.

Forging strategic alliances for AI excellence

Understanding the transformative power of AI, we aligned with global and regional powerhouses to accelerate our AI journey:

Global Telco AI alliance: A pioneering consortium with SK Telecom, Singtel, Softbank Corp. and T-Mobile to spearhead AI innovation and create new opportunities.

World Economic Forum and GSMA partnerships: Collaborations aimed at governing AI responsibly and accelerating AI innovation for societal impact.

Microsoft alliance: A strategic partnership to deploy next-generation networks and drive digital transformation powered by AI.

Leveraging cutting-edge platforms

e&'s digital strategy has included significant partnerships to leverage AI and data analytics:

DataRobot partnership: A three-year collaboration to enable businesses in the region to harness AI for transformative growth.

Snowflake alliance: Joining forces with Snowflake to enhance data utilisation and support customers in the UAE with advanced data services.

450+
AI Use Cases

120+
AI/Data Experts

Appointment of
Group Chief Data & AI Officer

Imagining a new future through digital innovation

e&'s strategic digital transformation in 2023 exemplifies our commitment to innovation, efficiency and customer-centricity. By deepening digitisation and automation powered by data and AI, embracing advanced technologies and forging strategic alliances, we enhanced our competitive edge while setting a new standard for operational excellence in the digital age. This journey is a significant step towards our vision, as we position the Group for future growth and success in an increasingly digital world.

Strategy in Action

Driving sustainability for future growth

In the face of evolving global ESG standards, e& recognised the dual challenge and opportunity of aligning with these benchmarks while addressing region-specific sustainability needs. The challenge was about more than compliance – we sought to leverage sustainability as a catalyst for corporate growth and societal value. By aiming to meet and exceed global ESG benchmarks, e& saw a chance to reinforce its leadership in responsible corporate practices and enhance its social contributions.

Drive Sustainability

Strategic sustainability integration

To navigate this complex landscape, e& established a dedicated Sustainability function, tasked with harmonising various sustainability initiatives under a cohesive strategy. This move was aimed at embedding sustainability deeply into the Company's DNA, ensuring that it wasn't just an add-on but a core component of our operational ethos.

Comprehensive sustainability strategy: Developed in alignment with business goals and societal expectations, this strategy aimed to position e& at the forefront of ESG performance, aligning with indices like the MSCI Global Index and FTSE4good.

Focused governance: A Board sub-committee and management steering committee were designated to spearhead the sustainability agenda, ensuring high-level oversight and integration across the Company's operations.

Tangible outcomes and societal benefits

The transformation into a sustainability-focused organisation yielded significant benefits:

Structured ESG roadmap: The development of a clear ESG strategy with defined targets offered a blueprint for sustainable operations, enhancing e&'s reputation among shareholders, investors and the broader community.

Enhanced transparency: Increased disclosure of ESG metrics improved transparency and accountability, allowing stakeholders to gauge e&'s commitment to sustainability practices.

Carbon emission reduction targets: The announcement of ambitious carbon reduction targets underlined e&'s commitment to environmental stewardship, aligning with the UAE's Net-Zero by 2050 initiative.

A testament to sustainability leadership

The issuance of a USD100 million inaugural green loan marked a milestone in e&'s sustainability journey, demonstrating investor confidence and supporting eco-friendly projects. This financial initiative, alongside e&'s "A" rating on the MSCI Global Index, "B" score by CDP and recognition by the FTSE4good Index, underscored the effectiveness of the sustainability framework. These achievements reflect e&'s adherence to global ESG benchmarks and our role as a leader in fostering a sustainable future.

Pioneering a sustainable future

Through strategic foresight and dedicated efforts, e& aligned with global ESG standards while effectively integrating sustainability into the core of its business operations. The establishment of a structured sustainability framework and the achievement of notable ESG ratings exemplify our commitment to responsible practices and environmental stewardship. As we continue to drive sustainability initiatives forward, we stand as a beacon of corporate responsibility, leading by example in the global technology and telecommunications sector.

SCIENCE BASED TARGETS — Scopes 1, 2 and 3 GHG reduction targets- SBTi validated

MSCI — "A" rated

CDP — B score

FTSE4Good — Constituent company in the FTSE4Good Index Series

Successfully signed AED 366 million green loan agreement

Group CFO's Statement

In a year of global financial uncertainty, e& confronted widespread market challenges with resilience, persistence and remarkable expansion.

> **Our growing geographic footprint and scaling up of digital investment continue to define our presence as an industry disruptor, while delivering record net profits of AED 10.3 billion.**

Karim Bennis
Group Chief Financial Officer, e&

Our growing geographic footprint and scaling up of digital investment continue to define our presence as an industry disruptor, while delivering record net profits of AED 10.3 billion, an increase of 3% over 2022. Our strategic partnerships and acquisitions have enabled more efficient and effective services to a substantially wider customer base, adding even more diverse revenue streams across new territories.

"From global economies and governments to industrial giants and international corporations, no businesses were exempt from the pressures of inflation, foreign currency volatility, interest rates hikes, energy costs and the geo-political events of 2023. It was a perfect storm which prolonged the general reticence of 2022 to expand and invest. For e&, however, our resources and resilience to market conditions enabled us to deliver an outstanding year of organic growth, a high level of profitability, and robust cashflow generation."

As we diversify from telecommunications into technology, we are capturing new revenue streams to ensure our growth. We have tapped into multiple pillars, including cybersecurity, IoT, cloud, Fintech and online digital services as well as investments in futuristic technologies through our venture capital vertical which will provide us with invaluable industry insights and disruptive opportunities for sustainable expansion.

Executing our strategy

During the year, we accelerated our transition to a Technology Group, effectively executing against our strategic priorities. We doubled down on core, achieving a remarkable 6.1% revenue growth in the home market, and a 10% organic growth in e& international in constant currency. Simultaneously, we improved our Net Promoter Score (NPS) in four out of five markets, indicating enhanced customer satisfaction. This performance has positioned us exceptionally well to meet the subscriber needs across our markets.

Additionally, we progressed on portfolio diversification through strategic acquisitions. We announced the majority stake acquisition in PPF Telecom assets, expanding the Group's geographic footprint into Central and Eastern Europe (Bulgaria, Hungary, Serbia and Slovakia). Furthermore, our plans to acquire 100% of Telenor Pakistan demonstrates our commitment to strengthening our market presence in Pakistan. We accelerated diversification into digital adjacencies and new technology areas by investing USD $400 million in Careem Everything App for a majority stake, underscoring our commitment to this strategy. We also solidified our position as a regional multi-cloud managed and professional services provider through a joint venture with Bespin Global. Additionally, we acquired controlling stake in Beehive, the first regulated peer-to-peer crowdfunding platform in the MENA region, further bolstering our Fintech proposition. We also expanded our online marketplace presence by acquiring ServiceMarket, a leading online marketplace for household services, which also complements our Smiles online marketplace strengthening our digital proposition.

The digital transformation of e& in 2023 yielded substantial benefits reflected in enhancing customer experiences, operational efficiency and productivity, revenue diversification and the organisation's overall agility. Finally, we disclosed our commitment to environmental sustainability by announcing our Group's net-zero Scopes 1 and 2 emission targets for 2040, which have been validated by the Science-Based Targets initiative (SBTi). Additionally, we maintained our "A" rating by MSCI and became a constituent of the FTSE4Good index, further recognising our efforts toward sustainability and responsible business practices.

Despite prevailing market conditions, Group revenue increased by 2.5% in reported currency, reaching AED 53.8 billion. In constant currency, revenue demonstrated solid growth with a robust 8.3% increase, indicative of growth in both domestic and international markets. Revenue in the UAE increased by 6.1% to AED 31.5 billion, due to our focus on core revenue and diversification into digital products, complemented by increased business activities fuelled by population growth and economic expansion. As a result, we witnessed strong growth in data and digital services, increased sales of Smart Living Devices, and roaming.

In e& international, revenue increased year-on-year by 10% in constant currency to AED 19.4 billion, driven by strong growth in all key markets, representing 36% of the Group's consolidated revenue.

Our increased focus on digital verticals is yielding results. e& enterprise vertical grew by 32% year-on-year, mainly driven by growth in cybersecurity, digital infrastructure, and IoT. In terms of e& life, our consumer digital vertical, delivered 10x organic growth in monthly active users and grew its international money transfers by 6x.

(AED million)	FY 2023	FY 2022	YoY	YoY (cc)
Revenue	**53,752**	**52,434**	**+2.5%**	**+8.3%**
EBITDA	**26,117**	**26,202**	**-0.3%**	**+3.7%**
EBITDA Margin (%)	49%	50%	-1.4 pp	
Net Profit	**10,305**	**10,007**	**+3.0%**	
Net Profit Margin (%)	19%	19%	+0.1 pp	
Operating Free Cashflow	**18,830**	**18,165**	**+3.7%**	
Operating Free Cashflow Margin (%)	35.0%	34.6%	+0.4 pp	

Group CFO's Statement (continued)

Major 2023 Launches, M&As and JVs:

- e& International's EUR €2.15 billion binding agreement - majority stake in PPF [1]
- e& new strategic partnership with Vodafone Group
- USD $400 million acquisition of a majority stake in Careem Everything App
- e& enterprise acquired 63.3% of Beehive for $23.6 million
- Launch of e& money Super App
- Launch of STARZ ON
- USD 60 million for a 10% stake in the South Korean cloud management company
- Corporate venture capital arm – Maxbyte, Airalo and Ikigai labs
- PTCL Group SPA to acquire 100% stake in Telenor Pakistan[1]

Depicting resilience supported by our strong financial position

In constant currency, EBITDA increased year-on-year by 3.7%, due to strong revenue growth coupled with robust cost discipline, despite those inflationary headwinds and a challenging macro environment. In reported currency, however, EBITDA dropped slightly year-on-year by 0.3%, resulting in an EBITDA margin of 49%, largely as a result of unfavourable exchange rate movements in the Egyptian Pound and Pakistani Rupee and changes in the revenue mix.

We witnessed a strong growth in net profit, increasing 3% year-on-year to AED 10.3 billion, mainly attributable to higher dividends from Vodafone, higher income from associates, as well as lower tax expenses.

Capital spending in 2023 amounted to AED 7.3 billion, a 9% decrease year-on-year as capital investment continued to focus on providing the best experience to our customers by modernising our networks and deploying cutting-edge technologies. Our capital allocation strategy remains disciplined, ensuring optimal returns on investment.

As a result, our operating free cashflow showcased resilience and increased year-on-year by 4% to reach AED 18.8 billion on the back of solid fundamentals. The Group maintained a healthy balance sheet and liquidity position, as the cash balance stood at AED 29 billion due to strong free cash flow generation. Gross debt balance of AED 49 billion increased by AED 1 billion, compared to 2022, largely as a result of additional investment. Ultimately, this led to a net debt balance of AED 20.1 billion, translating to 0.77x Net Debt/EBITDA multiple. Given our healthy cashflow we are able to maintain our management of working capital, while providing even stronger leverage with banks and credit rating agencies. As a result, we continue to achieve our high investment grade credit ratings with S&P Global and Moody's at 'AA-' and 'Aa3' respectively, including a stable outlook.

The Board of Directors proposed a final dividend of 80 fils per share for the fiscal year 2023. Additionally, the board recommended a new progressive dividend policy with an incremental 3 fils every year for the fiscal years 2024, 2025, and 2026, with a floor of 80 fils per share. These proposals are subject to shareholders' approval at the Annual General Meeting.

Balance Sheet:

(AED million)	December 2023	December 2022
Cash & Bank Balances	28,989	32,839
Total Assets	**146,904**	**145,085**
Total Debt	**49,041**	**47,954**
Net Debt	20,051	15,115
Total Equity	**51,074**	**49,999**

Strong operational performance in our geographic footprint

Our aggregate subscribers reached >170 million last year, an increase of 4% year over year, once again breaking new boundaries in the Group's history. This translated to net additions of AED 7 million during the last 12-month period, mainly due to strong subscriber acquisition in most of our key markets.

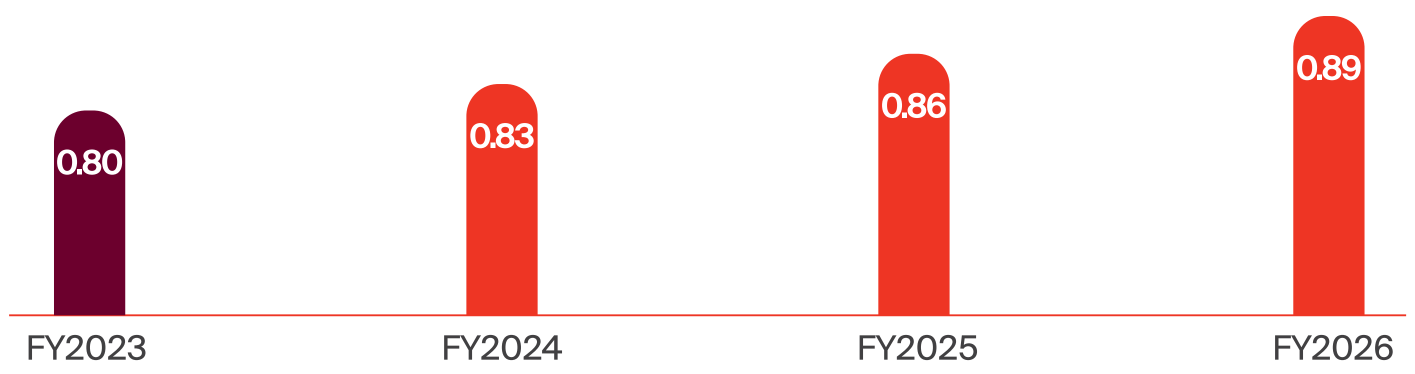
Remarkably, our operating companies have exhibited impressive year-on-year growth rates in local currencies, with the UAE growing by 6.1%, Egypt by 19%, Pakistan by 26%, and Maroc Telecom Group by 3%. Our telecommunication verticals continue to focus on organic growth in their core businesses, emphasising profitability and strong cash flow generation.

Operating Free cash flow of **AED 18.8** billion, up **4%** year over year

Low leverage ratio Net Debt / EBITDA **0.77x**

AA- I Aa3 with stable outlook by S&P / Moody's Credit ratings

New Progressive Dividend Policy [1]



Reaping the benefits of our relentless endeavours

As an acknowledgement of the ever-increasing range of our innovative products and services, e& received the Brand Finance Award for being recognised as the most valuable portfolio of telecommunications brands in the Middle East and Africa. Furthermore, e& UAE retained its position as the strongest brand in all categories in the MEA region and was ranked among the top three telecommunications brands globally.

It is a credit to our strategic expansion and transformation into a global technology group that e&'s portfolio of brands has grown by 16.5% to a new record of USD 17 billion. In 2024, we will aim to increase even further by maintaining our momentum across our entire spectrum of operations.

We believe that macro-economic volatility will continue into next year, in which case we will manage the key challenges as we did in 2023. We will also ensure that we continue to value our prized asset at e&, the people we work with, ensuring that they share in the Group's success.

It was a difficult year for many in 2023, however, e& prevailed and was an outstanding example of resilience, fortitude, conviction in its strategies and ambition in its vision.

1) Subject to regulatory approval

Market Overview

UAE Telecommunications

The UAE economy remained strong in 2023, demonstrating its resilience and posting growth in non-oil sectors that outpaced pre-pandemic levels. The continued recovery in tourism and further population growth supported consumption activity. The UAE attracted more corporates and high net worth individuals with higher spending capacity, driven by the government's pro-growth policies, such as the visa reform, an increasingly mobile global workforce and the connectedness of the UAE economy.

The government's forward-looking policies and initiatives, such as the "We the UAE 2031" vision and the ongoing commitment to smart city development, create a conducive environment for technological advancements and digital integration. Additionally, the UAE's pro-business regulations and incentives for foreign investment contribute to the overall attractiveness, making it a magnet for global tech players seeking a dynamic and thriving market landscape.

The UAE telecommunications market stands as a global frontrunner. The country is home of the fastest 5G networks in the world, reflecting the nation's commitment to technological advancement and digital integration. Furthermore, the UAE leads in Fibre-to-the-home (FTTH) penetration, providing faster and more reliable internet connectivity, fostering seamless communication and digital transactions for businesses and consumers. The robust infrastructure and significant technological investments have positioned the country as a hub for digital transformation, nurturing a tech-savvy environment.

In 2023, the telecommunications sector continued to witness strong growth, supported by population growth and the overall commercial momentum in the country. Along with further deployment of the 5G network, this resulted in solid mobile segment growth. Voice revenue remained under pressure, due to the availability of VoIP products in the market, however robust growth in data and digital services compensated for this and resulted in overall growth for the year.

Saudi Arabia Telecommunications

Saudi Arabia stands as the preeminent telecommunications market in the MENA region, maintaining its position as the largest market by revenue. Robust growth in the sector is driven by various factors, such as robust disposable incomes, an expanding and youthful population, increased investments in digital infrastructure and a steadfast commitment to technology advancement. This upward trajectory aligns with the Kingdom's Vision 2030, in which the telecommunication and technology market plays a pivotal role in the broader economic diversification strategy.

The Saudi mobile market is anticipated to witness sustained growth over the coming years, primarily fuelled by strong data adoption and the promotion of premium services. As the country strives to diversify its economic landscape, new sectors are emerging, contributing to increased Machine-to-Machine (M2M) and Internet of Things (IoT) applications.

The rollout of 5G networks further accelerates this trend, underscoring the sector's dynamism. Simultaneously, the fixed broadband market is expected to experience steady growth, supported by substantial investments from both operators and the government in cutting-edge networks, meeting ever-rising demand for fibre services.

Egypt Telecommunications

The Egyptian consumer proven to be profoundly resilient, resulting in solid growth for the Egyptian telecommunications sector, secured its position as the second largest telecommunications market in terms of mobile subscribers in the MENA region. Despite a generally tumultuous economic backdrop during the year, led by heightened inflationary pressures and currency devaluation, the sector witnessed solid growth across multiple fronts, including revenue, subscriber and penetration. The Egyptian telecommunications sector is expected to continue its strong growth momentum, driven by mobile data services revenue. This is supported by growing mobile internet subscriptions, the continued rise in 4G subscriptions, increasing mobile data ARPU, and operators' offerings of more bundled plans to support data hungry social networking applications.

Similarly, a youthful population and healthy demographics will be major drivers of higher mobile subscription penetration and growth in value added services. In addition, Egypt is ideally positioned to gain from growth in Fintech solutions and digital services that are more tailored to the younger demographic.

Morocco Telecommunications

The Moroccan economy is positioned for a notably healthy rebound, overshadowing the implications of the Al Haouz earthquake and global inflationary pressures. That being said, Morocco is well positioned for a strong uptick in tourism, large volumes of foreign direct investment (FDI) and industrialisation, accommodated by the governments ambitious reforms programme and a stable currency.

The rapid rise in smartphone affordability and the rollout of 4G networks by operators have all fuelled the robust growth in demand for mobile data services. Operators are moving more consumers to post-paid premium services and emphasising high-value contracts. However, the mobile segment in Morocco is facing growing competition and regulatory uncertainties that are dampening the growth of the sector.

With the deployment of Fibre-to-the-Home (FTTH), fixed broadband is the primary driver of Morocco's telecommunication market's high single-digit growth. The ICT sector's expansion and the industry's commercial mobile, data and internet services look to be largely driven by enterprise demand in the immediate future.

Pakistan Telecommunications

The Pakistan telecommunications market is mainly reliant on mobile services for the communication needs of the majority of its population. Given the underpenetrated nature of the market, organic growth opportunities remain relatively strong. Mobile growth is mainly driven by rapid expansion of 4G services and the adoption of mobile data services, which still have significant growth potential.

The fixed operators are continuously upgrading their existing infrastructure and network, while rolling out FTTH across the country. Fixed broadband penetration in Pakistan remained low, at around 6% of the total households, providing a significant opportunity in the market when viewed in tandem with the country's growing appetite for data consumption.

Mobile banking is another sector with notable potential for further growth. With the massive unbanked population as its main driver, mobile financial services are growing in popularity and making a substantial contribution to broader telecommunication sector growth.

We expect an in-market consolidation in the telecommunications sector to take place in Pakistan. In fact, PTCL Group announced in December 2023 the signing of a binding agreement with Telenor ASA to acquire 100% of Telenor Pakistan, subject to regulatory approval. This will predominantly lead to an improved long-term outlook of the telecommunications sector.

UAE by the Numbers

Population **10.1 million**	Mobile Subscribers **21.0 million**
Real GDP Growth **3.4%**	Mobile Penetration **219%**
GDP Per Capita **50,602 USD**	Smartphone Penetration **200%**

Saudi Arabia by the Numbers

Population **32.8 million**	Mobile Subscribers **49.9 million**
Real GDP Growth **0.8%**	Mobile Penetration **134%**
GDP Per Capita **32,586 USD**	Smartphone Penetration **116%**

Egypt by the Numbers

Population **105.7 million**	Mobile Subscribers **110.6 million**
Real GDP Growth **4.2%**	Mobile Penetration **97%**
GDP Per Capita **3,770 USD**	Smartphone Penetration **83%**

Morocco by the Numbers

Population **37.0 million**	Mobile Subscribers **52.5 million**
Real GDP Growth **2.4%**	Mobile Penetration **138%**
GDP Per Capita **3,980 USD**	Smartphone Penetration **116%**

Pakistan by the Numbers

Population **231.6 million**	Mobile Subscribers **188.8 million**
Real GDP Growth **-0.5%**	Mobile Penetration **78%**
GDP Per Capita **1,471 USD**	Smartphone Penetration **49%**

The sources of the telecom and macro indicators are based on the latest available data from GSMA and IMF World Economic Outlook

Risk Management

The global risk landscape is marked by a diverse array of challenges, uncertainties and opportunities. As e& continues its journey to become a leading global technology group and focuses on executing its strategic transformation, it is imperative that we remain cognisant that we operate in a highly complex, regulated, competitive and dynamic environment.

As one of the world's largest telecommunications groups, e& must proactively and effectively identify, manage and mitigate risks to achieve its strategy and pursue its purpose to connect customers and build experiences that make their work more productive and life more enjoyable.

The interconnected and constantly evolving global risk landscape affecting corporates remains highly complex to navigate, with a number of risk hotspots surfacing and demanding management attention.

Climate change and environmental concerns are at the forefront, as companies face increased pressure to adopt sustainable practices and reduce their carbon footprints along the value chain.

Regulations across the globe are becoming stricter and the expectations of consumers and society at large are rising progressively, which means that failure to drive forward a sustainability agenda can lead to hefty fines and significant reputational damage.

Geopolitical tensions and trade disputes are also at an all-time high, posing a risk that is often difficult to manage or anticipate. These can lead to sudden changes in regulations, tariffs and market access, affecting companies' operations, profitability and expansion plans. Additionally, we have recently seen a higher propensity for conflict escalation – as proven by the ongoing conflict in Europe and, more recently, in the Middle East – which may ultimately result in the formation of political blocks and a complex web of government-to-government relationships.

The macroeconomic landscape is fraught with uncertainties, fueled by trade tensions and geopolitical events. Inflationary pressures have prompted central banks to elevate interest rates to mitigate its impact, subsequently affecting the cost of borrowing. This rise in interest rates tends to dampen consumer confidence and affect spending habits. Additionally, fluctuations in currency markets compound profitability challenges, aggravating inflationary pressures.

In today's world, more than ever, companies must navigate uncertainties caused by global social, political and economic events, often being required to re-evaluate their business models and strategies in order to increase operational resilience and their ability to respond to similar events in the future.

Cybersecurity is another risk area that remains a top priority. As businesses become increasingly digital and powered by data and technology, they are more vulnerable to cyber-attacks. Data breaches, ransomware attacks and other cyber threats can cause significant financial and reputational harm.

Lastly, social inequality is a growing concern. Companies are expected to play an active role in addressing these issues in the communities they serve, and failure to do so can lead to backlash from consumers as well as their own employee workforce.

In conclusion, 2023 carried a complex and volatile risk landscape, which resulted in healthy risk discussions within and across organisations, as well as at different governance forums, to ensure proactive and effective risk governance and management, as described below in our approach, model and principal risks.

Our approach to governance

The e& Board 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 Group Risk function and approves and oversees the implementation of e& Group's risk management framework for the effective management of the key risks affecting the achievement of its strategic objectives.

At the executive management level, the Group's governance model includes a Group Enterprise Risk Management Committee (ERMC) supported by an additional ERMC for each of the Group's business verticals. Each ERMC is chaired by the respective CEOs and attended by their leadership teams, the Group Chief Risk and Internal Audit Officer and Group Risk Team representatives.

The implementation of this model allows the Group to drive a standardised approach to risk management across the Group, as well as the right level of coordination in the management of the Group's principal risks, while ensuring the timely escalation of any key risk to the Board.

At an operational level, these governance forums are managed with the support from a network of designated risk champions and a central risk lead for each vertical, responsible for coordinating risk management efforts within the vertical and liaising with the Group Risk team.

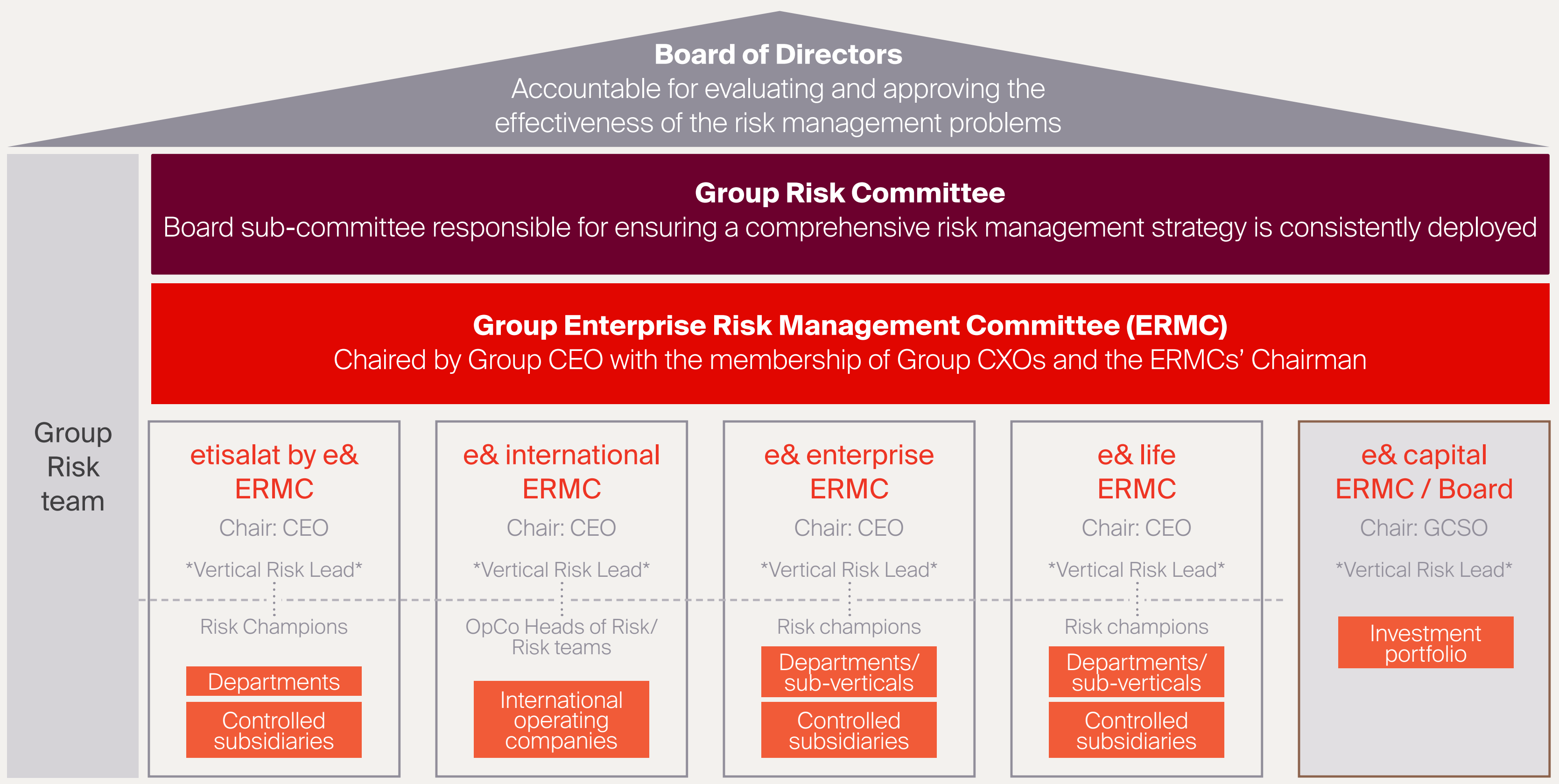
Our three lines model

e& fully adheres to the principles of the three lines model giving the executive management the ultimate responsibility 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

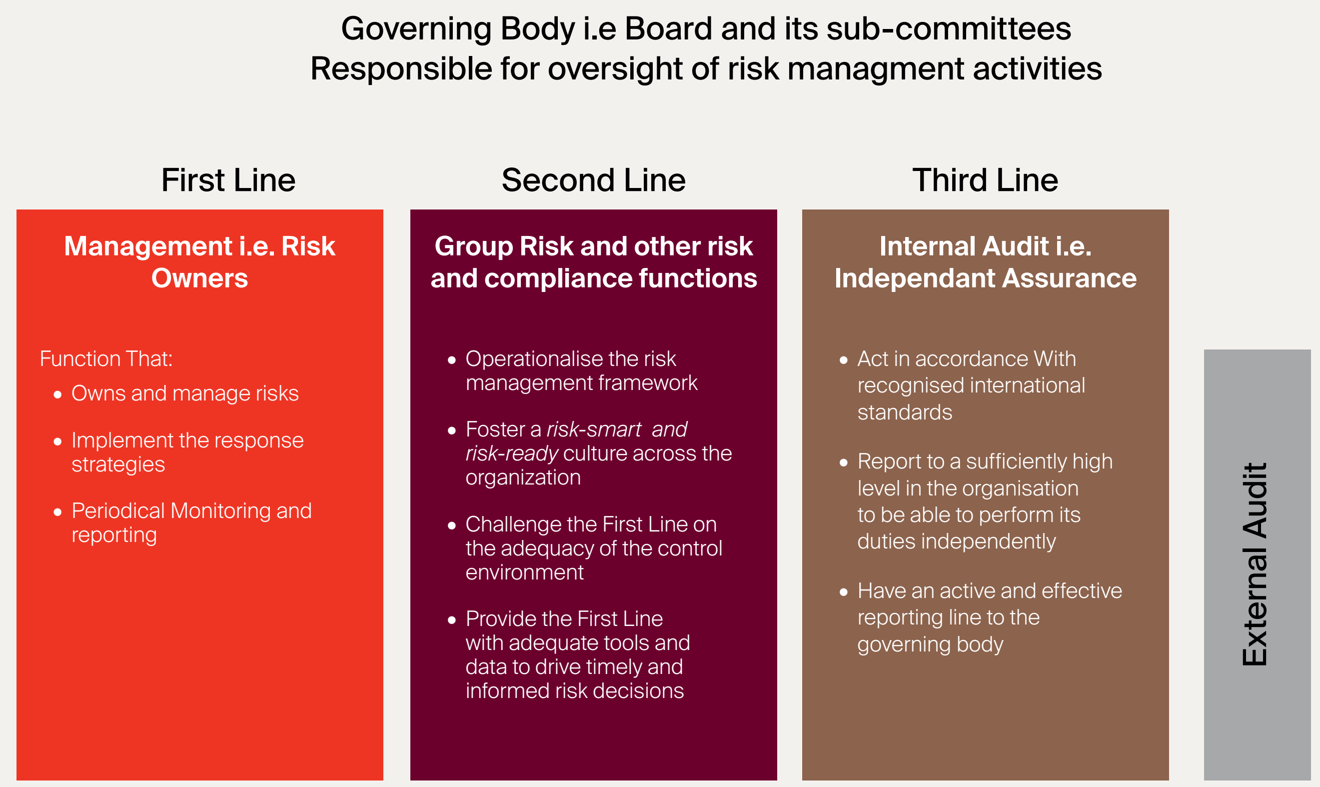
The Group Risk function, through the existing governance structures, assists management by monitoring the implementation of effective risk management practices across the Group. Furthermore, Group Risk undertakes an oversight role of the Group's international operating companies (OpCos) through active engagement with the respective risk management teams. The support covers a number of aspects, from assisting with queries related to the implementation of the risk management framework and supporting risk reporting activities to coordinating on actual risk and issue response strategies. Group Risk also assesses the maturity of risk management across the Group's OpCos on an annual basis, and discusses development opportunities to further enhance the risk and control environment 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.

e& Risk Governance Structures



The Three Lines Model at e&



Risk Management (continued)

Our solid risk management foundations

e&'s risk management architecture includes a number of key components that, collectively, set the tone and principles to enable the effective operation of the risk management programme. Such components are:

- A charter detailing the scope, role and key reporting responsibilities of the Group Risk function and its relationship with governance and oversight bodies such as the Board, the Risk Committee and the executive management team
- A Group risk management policy, setting the expectations and responsibilities of all employees in the identification and management of risks to the business
- The Group risk management framework and supporting guidelines, explaining the Group's approach to risk and internal controls, risk appetite, decision support and operational risk management
- A Group risk appetite statement approved by the Board which sets out the boundaries that guide and inform the decisions we make every day, supported by a number of approved metrics and respective tolerances which are routinely monitored and reported to management and the Board

e&'s Group Risk 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 might impact e& and provide those views to management on a periodic basis, including through reporting to ERMCs
- Monitoring our position against the approved appetite level at a Group consolidated level to identify possible courses of corrective action required
- Engaging with our community of risk professionals, risk champions and risk teams in many of our subsidiaries, providing them with the right tools and training, and supporting them in order to continuously raise the bar in terms of quality of their risk management practices

Evolving our risk management programme

At e&, we believe that we must periodically review our risk management practices and challenge ourselves to improve on a continuous basis. With that in mind, each year our plan includes a number of strategic initiatives to drive forward the risk management agenda within e&. These areas are typically identified through the maturity assessments undertaken or benchmarking with leading practices.

In 2023, we pursued the following strategic initiatives:

- Risk 3.0: the latest iteration of e&'s Group-wide risk management framework was piloted throughout the year before its official launch, and it breaks away with the traditional approach to risk management that comprised of heatmaps and introduces new risk assessment criteria supported by a visual representation that balances risks with opportunities
- Risk in key decisions: 2023 was the year where we demonstrated how risk management can add value by supporting the business in their decision-making processes. The Group Risk team is an integral part of the project teams looking at acquisitions, with an active role in due diligence activities and consolidated risk reporting.
- Automation of risk appetite: recognising the need to simplifying the process for gathering data that enabled our risk appetite reporting, we worked with data analytics experts in the Group to develop a central portal streamlining this activity to all stakeholders involved. The end goal is to progressively increase the integration with available data sources and reduce reliance on manual activities
- Risk culture and awareness: we made significant strides in 2023 with the first Risk Awareness Week taking place in Q2 showcasing a number of interactive engagement opportunities with the broader workforce on the benefits of risk management. Additionally, we have developed our first risk management e-learning module that we plan to include as part of the mandatory training for all employees starting from 2024

Preparing for an uncertain future

Looking ahead to 2024, the following are some of the priority areas for action:

- Linking risk to strategy: acknowledging the progress made since 2022 to link risk assessment activities across all verticals with the strategic planning cycle, we believe there is an opportunity to further strengthen this link and deliver value to the business
- Integrating ESG considerations: we recognise that sustainability is at the core of e&'s strategy and are already working with the sustainability team not only to support in the assessment of climate related risks and opportunities, but also to broadly identify areas of alignment and integration
- Driving coordinated assurance efforts: following on the work done in developing and rolling out a new risk management framework, the next priority is to coordinate the adoption of a single assurance framework across the three lines of defence
- Enhancing oversight of subsidiaries: we plan to develop a more comprehensive and systematic approach to governance and oversight for Group subsidiaries, which gains particular relevance considering the of M&A activity across e&
- Embracing new technologies: we recognize the potential associated with AI and other technologies and, as a team, are assessing how we can effectively leverage these into how we operate in order to fulfill our duties successfully.

Our principal risks

In accordance with our risk management process, we continually scan, assess and monitor the Group's risk landscape, thereby proactively seeking to reduce risk exposures down to acceptable levels within e&'s appetite. In line with this process, the following summarises a number of our principal risks that result from the escalation and consolidation of the key risks reported by all business verticals, along with examples of the key impacts they can pose to the Group, a summary of the approach followed to mitigating them and real-life examples of the underlying risks and opportunities within these themes.

Principal risk	Link to e& strategy	What this risk means to e&	Our approach to managing this risk
ECONOMIC SLOWDOWN	All Strategic Pillars	The Group's financial assets and liabilities are exposed to financial threats, including interest rate risk, liquidity risk, credit risk or currency volatility. Changes in global macro-economic conditions continue to present challenges and specifically the peaking interest rates currently at historic levels have continued to negatively impact the international subsidiaries financially and made it more expensive to service debt. 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.	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. Financial risk management is discussed in greater detail in the "Financial Instruments" section of the Annual Report. Group Finance, supported by the OpCos, have established policies, procedures and tools to monitor, manage and report on significant exposures. The Group constantly monitors trends in key indicators to drive mitigation strategies, which may include innovative approaches for consideration and approval by the relevant governance committees.
REGULATORY PRESSURES	Double Down on Core Diversify Portfolio	As the Group operates in diverse and developing markets, it faces ongoing regulatory challenges and significant uncertainty around policy decisions and how those might impact its operations. Additionally, as the Group becomes a global technology company, it is no longer just exposed to the traditional telecommunication service and licensing obligations but to an increasingly complex regulatory landscape and policies that might impact the newer revenue streams of the Group.	The Group proactively continues to take formal positions on a number of policy areas impacting the telecommunications industry and aims to support regulators in the markets where it operates 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. Additionally, mandatory regulatory compliance training is available and delivered to all employees as a preventative measure aimed at driving awareness for critical regulatory processes and obligations.

Risk Management (continued)

Principal risk	Link to e& strategy	What this risk means to e&	Our approach to managing this risk
GEOPOLITICAL UNCERTAINTY	Double Down on Core Diversify Portfolio	Ongoing geopolitical uncertainty poses continuous challenges to the global economy in general and to the Group operations in particular. Over recent years, geopolitical risk has led to significant pressures in global supply chains with the resulting business interruption and the increase in operating costs. This is even more important due to the strategic objective to expand internationally either by increasing the presence in existing markets or by entering into new geographies and reduce the UAE telco-centric profile of the Group. Additionally, we operate in markets where political instability can be a common reality which can impact operational resilience as well as the financial viability of our international OpCos. Often, periods of political instability are preceded or followed by significant economic turmoil, which could contribute to the decrease in value for those assets in our portfolio.	As e& expands internationally, geopolitical uncertainty will become a larger challenge for both the Group and our international OpCos. Management constantly scans the global environment to develop pre-emptive mitigations that can reduce the impact of any negative geopolitical uncertainty. This can also involve identifying and acting upon opportunities created by any geopolitical event. Geopolitical uncertainty – and any arising trends – is also analysed as part of the environment scanning presented to management on a regular basis by our Group Risk team. Local expertise and knowledge are being leveraged to combat these challenges. The security of local employees is timely managed where needed in response to arising threats.
SUSTAINABILITY AGENDA	Drive Sustainability	Failing to appreciate the importance of e&'s strategy in the sustainability space, especially as we become a global technology player, may result in financial penalties from regulatory bodies for not meeting environmental standards. In addition, as consumers are increasingly raising the bar by choosing to work with and buy from responsible companies that align with their individual values or those of the communities in which they are included, failing to meet such expectations may result in reputational damage and lead to a loss of customer trust and loyalty.	A Group sustainability team has been set up to coordinate all ESG related efforts across the Group. The first ESG strategy includes a number of priority areas for action that have the greatest impact across the Group in terms of the sustainability agenda going forward, supported by the agreement behind a set of quantifiable ESG 2030 targets. Specifically in terms of environment and climate change, an exercise was started to identify and quantify key climate-related physical and transition risks and opportunities to e&, considering the products and services we offer and our geographic footprint.
BUSINESS TRANSFORMATION	Digitise and Transform Operations Drive Sustainability	e& is undertaking a significant transformation agenda to enable its transition from a regional telco to a global techco. This transformation will unlock its potential and geographies. The risks associated with transformation might include the misalignment to the broader Group strategy, disruption to normal business activities, change fatigue across the workforce, increased costs and budget overruns or even reputational damage from negatively impacting external stakeholders. These risks can impact e& by causing financial losses, operational inefficiencies, loss of customer trust and reduced employee engagement.	A Transformation Office monitors and periodically reports on the progress made on key transformation initiatives. A consistent approach to the management and delivery of transformation initiatives is also in place and ensured centrally by the Transformation office. Additionally, the performance scorecards for leadership teams are aligned to the delivery of the agreed transformation agenda and monitored routinely by the Transformation office.

Principal risk	Link to e& strategy	What this risk means to e&	Our approach to managing this risk
CUSTOMER CENTRICITY	Double Down on Core Digitise and Transform Operations	One of the strategic ambitions of e& is to excel and achieve a leading market position in customer experience. Delays in developing a customer-centric culture that supports the ambition to become a "Customer Champion", due in part to the failure to justify investment cases, has prevented the generation of commercial value.	e& is committed to improving the experience of all its customers using technology and data-driven insights. The Group monitors customer feedback by tracking the performance in net promoter scores across multiple channels and is committed to improving the score year-on-year. Additionally, we gather Voice of Customer data to provide nearly real-time insights and allow strategic pivots in our responses in a timely manner. One of the key focus areas is the product development where e& aims to simplify the products by minimising the number of touchpoints and striving for seamless customer journeys. At the same time, e& has provided various channels for its customers to interact with the organisation, ensuring consistency in the management of these interactions across channels reflecting our values and brand identity. Finally, a quality assurance mechanism is in place to ensure the independence of reporting while ensuring the integrity of the data used to plan for improvement initiatives.
THIRD-PARTY EXPOSURES	All Strategic Pillars	e& 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 business continuity failures where there is overreliance on third parties for critical processes, legal exposures due to non-compliance with laws and regulations, or security vulnerabilities and data loss as a result of substandard practices when accessing or dealing with data on behalf of e&.	The Third-Party Risk Management Policy sets out key principles and expectations to managing exposures that result from our engagement with third-parties in a holistic and comprehensive manner. The policy is supported by the centrally managed supplier onboarding and due diligence tool for conducting third-party risk assessments and managing the resulting red flags across a number of risk areas in scope.
DIGITAL GROWTH	Diversify Portfolio	e&'s strategy relies on the growth of its new digital verticals, e& enterprise and e& life. The realisation of this ambition is fuelled by inorganic acquisitions as well as organic developments. A failure to acquire or develop new products and grow the Group's digital verticals may lead to not achieving financial targets and the ambition of diversification is then taken away from telecommunication service revenues.	Recognising the need to diversify the Group's portfolio and that the diversification meant growing the digital offering was one of the main drivers behind the recent transformation in the operating model and setting up the two new digital verticals. The execution of the Group's strategy is largely dependent on its ability to deliver on inorganic growth targets. This agenda is coordinated by Group Strategy and the M&A team, in close coordination with the different verticals. The Group closely monitors the performance of its digital verticals as part of the planning and forecasting process, to ensure progress in the overall delivery of the Group's strategy.

Risk Management (continued)

Principal risk	Link to e& strategy	What this risk means to e&	Our approach to managing this risk
DATA GOVERNANCE AND PROTECTION	Digitise and Transform Operations	With the introduction of the UAE's Data Protection Law (Federal Law No. 45 of 2021), there is increased scrutiny of 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 and for valid business purposes, can result in legal action, financial penalties and significant reputation damage. Furthermore, as a global technology company, e& needs to be able to extract maximum value from the data assets it controls, which means the ability to clearly understand our data landscape, how it is structured and governed, is of vital strategic importance.	The Group is taking data privacy seriously by ensuring we set ourselves up for success to meet the highest standards not only as required by the law, but for those that our customers expect from us. A Data Protection and Data Governance programme is underway looking not only to understand and assess the impact of high-risk activities, but also to drive the necessary realignment in internal processes and develop and disseminate the necessary guidance to ensure full compliance. At a Group level, a recently approved policy sets out the key principles and red lines to be adopted across the Group including our international OpCos.
CYBER AND INFORMATION SECURITY	Double Down on Core Digitise and Transform Operations	Like any organisation in the world, e& is exposed to risks around its information security and cyber-attacks. In the age of technology and data, it is critical that we can ensure the integrity, confidentiality and availability of the data we use internally for decision-making, as well as secure the data we hold on behalf of our customers and employees. The threat of external cyber-attacks across the Group network and IT infrastructure is ever-present, especially with the increasing number of ransomware attacks sponsored by or allowed by nation-states and activist organisations. Cyber and information security assumes a critical role in preventing internal or external threats that can result in the misuse or loss of sensitive or confidential data.	There is an information security risk management policy aligned to the cybersecurity requirements set by the Signals Intelligence Agency (SIA) in the United Arab Emirates and international standards. The cyber risk management team actively monitors the effectiveness of the key cybersecurity controls and reports on the status of the control environment as well as other improvement initiatives underway to the Corporate Information Security Steering Committee. Network and IT security teams proactively monitor usage levels and patterns within the Group's networks to identify and mitigate possible security vulnerabilities and prevent actual data breaches.
SERVICE AND TECHNOLOGY RESILIENCE	Double Down on Core	The sustained continuity of the Group's network across all its operating companies is vital for its continued success. The Group faces threats of disruption, malfunction and loss of or damage to network infrastructure due to natural disasters and other uncontrollable events. With climate-related severe weather events increasing in frequency, even in regions such as the Middle East where our Group is headquartered, it is imperative we understand the materiality of these risks to e& and the potential impacts from the associated events.	e& has established a Business Continuity Management team to maintain business continuity plans and ensure crisis management arrangements are relevant and up to date. Insurance policies are in place to provide cover for eventual damages to infrastructure and property. Finally, a crucial piece of the Group's annual capital expenditure plan is dedicated to finance the agreed infrastructure improvement programmes based on the identified priorities.
DIGITAL COMPETITION	Diversify Portfolio	As e& establishes itself as a brand in both the consumer and enterprise digital service lines, it's exposed to different types of competition. The market for digitally-enabled products and services, especially in the consumer segment, is highly competitive and often drives companies to constantly improve their range to stay ahead. This could mean developing new features, enhancing user experience or improving customer service. Too much competition could lead to market saturation, with many providers for the same product or service, leading to the need to increase marketing spend to stand out and reach potential customers and also making it difficult for any single player to grow significantly.	e& has a strong foothold in the markets and segments where it operates. The telecommunication business provides e&'s digital verticals a strong base to start from and a competitive advantage given its established customer relationships and large customer base. The active collaboration across verticals in product development, ensure that e& has first market move advantage over its competitors. Furthermore, the size and wide variety of offerings by e& provide an ecosystem of products that is very attractive to customers giving a significant competitive advantage. Finally, e&'s commitment to invest capital to fuel the inorganic growth of its digital verticals in line with the approved Group strategy is a significant mitigation strategy as it will increase e&'s offering across complementary and adjacent segments and ultimately result in greater brand equity.
LEGAL COMPLIANCE	All Strategic Pillars	e& is committed to conducting its operations ethically, transparently and in compliance with all applicable laws. Any actual or deemed breach of applicable laws and regulations could result in financial loss arising from penalties, personal or corporate criminal charges with the associated reputational damage.	e& proactively manages legal compliance risk by operating a comprehensive compliance programme covering anti-bribery and corruption, anti-money laundering, counter-terrorist financing, and global sanctions and export controls. Our Legal and Compliance department regularly conducts assessments to identify areas of legal risk and routine training is provided to our employees to keep them informed about the latest changes in legislation and how those could affect our business. Furthermore, the launch of our new Code of Conduct was an important milestone to ensure we operate in line with our ethics and integrity values. Our ethics programme is supported by a confidential reporting line allowing employees to report potential violations without fear of retaliation. All reports are thoroughly investigated, and appropriate actions are taken. Finally, legal counsel within each OpCo is ultimately accountable for actively managing litigation involving, where required, the Group's legal team. Legal risks are also partly mitigated by our Directors and Officers' liability insurance policy.

Risk Management (continued)

Principal risk	Link to e& strategy	What this risk means to e&	Our approach to managing this risk
MERGERS AND ACQUISITIONS	Diversify Portfolio	This principal risk includes the risks associated with the execution of e&'s inorganic growth ambition, as well with the quality of capital allocation decisions. The failure to identify high-quality assets of strategic fit and relevance to e&, the adequacy of the due diligence conducted and the manner in which those are acted upon, or the quality of post-deal integration plans are all important risks when it comes to the delivery of our inorganic growth ambition. In terms of capital allocation, it is vital to ensure the Group makes the best decision in terms of expected shareholder returns, based on information available.	The Group has a comprehensive capital allocation framework, owned by Group Finance, that defines the criteria and assumptions considered in any decision requiring capital, to ensure shareholders get the best returns possible. In addition to the capital allocation framework, the Group follows pre-approved investment criteria that guide the identification of target assets, in line with risk appetite and guidelines from the Board. Finally, there is a robust end-to-end M&A process that includes, for instance an M&A Screening Committee, pipeline monitoring activities, pre-defined stage gate approvals, rigorous level of due diligences and adequate post-deal integration plans to deliver on the expected synergies.
CORE REVENUE PROTECTION	Double Down on Core	The telecommunication markets in which e& Group operates are characterised by intense competition, significant pricing pressures, market and product convergence, and often customer churn. The state of maturity of the market also varies significantly when we compare the United Arab Emirates to some of our international OpCos. The maturity is quite relevant as it determines factors such as the openness to new market entrants including over-the-top operators, or the appetite for additional regulation, both critical factors impacting service revenues and profitability.	e& closely analyses and monitors the trends within the markets in which it operates in terms of customer and competitor behaviour, and invests in the latest network technology and advancements to be able to offer competitive products and services. Various commercial strategies in response to a number of threats are continuously considered and implemented by respective commercial teams across the Group. For instance, we seek to deliver impactful experiences and build lasting relationships with our customers through the growth of digital products and services that complement our core offering are vital to help mitigate several competitive threats. Other examples can include the strategy to increase customer engagement and profitability by shifting customers to postpaid plans and increase bundling with additional value-add services.

Principal risk	Link to e& strategy	What this risk means to e&	Our approach to managing this risk
PEOPLE AND TALENT	Drive Sustainability	In order to deliver on our strategic promise and the full benefits and scale associated with the transformation undertaken, e& will require a new range of skills and competencies. This is even more vital when the Group is expanding to new digital areas that were not part of its core business previously. In an increasingly competitive global market for critical future skills, it is vital to be able to plan our workforce requirements, fill-in those needs with in-house talent or through recruitment, and ensure we remain competitive to retain key talent. Failure to manage these risks would likely result in the loss of competitive edge and the inability to deliver our strategy.	At the operational level, e& is maintaining a number of processes that help mitigate these risks. These include a succession planning process for all key leadership roles as well other critical roles identified, which is supported by a robust performance management process that identifies high-performers and develops them into future successors. Furthermore, e& is proudly one of the strong brands to work for in the region and we continue to adjust our HR processes and policies to fully capitalise on our brand equity when it comes to attracting and retaining talent. Our ambition is to be a magnet for talent by fostering an engaged, diverse and inclusive workplace, and nurturing skills and competencies within a performance-orientated workforce.

Senior Management

Hatem Dowidar
Group Chief Executive Officer, e&

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

Karim Bennis
Group Chief Financial Officer, e&

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

Obaid Bokisha
Group Chief Operations Officer, e&

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

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 from December 2021 and prior to that the General Counsel for e& international. Before joining e& in 2010, she worked for highly regarded independent and international law firms. Ms. Lindsay is currently a Board member at Khazna Data Centres and at iMENA Group. She previously served as a Director of Thuraya Telecommunications Company and a Board and Committee member for Etisalat Nigeria. She holds a Bachelor's degree of Law and Accounting from Bond University in Australia.

Harrison Lung
Group Chief Strategy Officer, e&

Mr. Harrison Lung was appointed as Chief Strategy Officer of e& in May 2023. Mr. Lung has over two decades of experience in the telecommunication and technology sectors. Prior to this role, he was a Partner at Siris Capital, a leading New York-based private equity firm investing in core technology and telecommunication assets. Mr. Lung was formerly Partner for Technology, Telecommunications and Digital in North America and Asia at McKinsey & Company. He previously also held roles at Bell Mobility, Sprint Canada (now Rogers Communications) and Accenture. He holds a Bachelor's degree in Computer Engineering from the University of Waterloo and a dual MBA from Cornell University and Queen's University. He is a licensed Professional Engineer and a Chartered Professional Accountant.

Senior Management (continued)

Dena Al Mansoori
Chief Data and AI Officer, e&

Ms. Dena Al Mansoori was appointed as Chief Data and AI Officer, effective 1st January 2024. Before taking on this new role, Dena was the Group Chief Human Resources Officer at e& since November 2020. Prior to e&, 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.

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

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

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

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

Mikhail Gerchuk
Chief Executive Officer, e& international

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

Salvador Anglada
Chief Executive Officer, e& enterprise

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

Senior Management (continued)

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 from 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 E-Vision. He previously served on the Board of PTCL and Etisalat Afghanistan. He has a Bachelor's degree in Electrical Engineering from the University of Kentucky, USA.

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

Salman Al Badran

Chief Executive Officer, Etihad Etisalat (Mobily)

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

Hazem Metwally

Chief Executive Officer, e& Egypt

Mr. Hazem Metwally was appointed Chief Executive Officer of e& Egypt in October 2015. He joined 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. Mr. Metwally started his telecommunications career in 1999 in sales distribution and operations focusing on both consumer and corporate segments. He 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 e& Egypt and Etisalat Afghanistan. He holds a Bachelor's degree in Electrical and Electronic Engineering from Khalifa University.

03

Operating Review

>170
million
Aggregate Subscribers

18.8
AED billion
Free Cashflow

e& UAE

About e& UAE

e& UAE provides comprehensive telecommunication solutions for consumers and businesses, relying on one of the best and most advanced telecommunication networks globally and continuously explores new possibilities to enhance the delivery of our portfolio of digital services across target segments.

Innovating for growth and expanding possibilities

In 2023, e& UAE reinforced its market-leading position, while driving product and operational innovation and digitisation to accelerate towards its 2030 Vision. Through effective execution, we delivered an outstanding financial performance for the year to achieve new benchmarks for technology leadership and commercial performance.

With the launch of the world's first autonomous telecommunications store along with a range of other AI applications to enhance business efficiency and elevate customer experience, e& UAE continued to set new standards in e&'s home market while raising the bar for technology in action globally.

For businesses, e& UAE 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.

e& UAE 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 and wholesale services ensure the efficient flow of data traffic through our global backbone network of sub-sea and terrestrial cable systems.

e& UAE 2030 strategy: Grow-Scale-Excel-Transform

Our Vision: To be the customer champion in a hyper-connected digital world.

In line with e&'s vision, e& UAE will continue playing a pivotal role in creating more value for the Group, its shareholders and its customers. e& UAE 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 telecommunications sector. Telcos can leverage these opportunities by introducing innovative products and business models, harnessing technology transformation, enhancing customer experience and driving digitisation across their operating models.

e& UAE is strongly positioned to fully capitalise on upcoming growth opportunities with our 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, e& UAE defined its 2030 strategy with an aspirational vision, specific strategic goals and clear strategic pathways, which will enable e& UAE to capitalise on all opportunities and continue to maintain its leadership position across all areas.

In 2023, e& UAE refreshed its strategy to align more closely with the evolving priorities and direction of e& Group. Accordingly, e& UAE will focus on its central thrust to drive profitable top-line growth to generate free cash flow for e& Group. To this end, e& UAE has adjusted the scope of its strategic pathway, "Scale New Growth Engines" to focus more on scaling and growing priority digital/non-telco adjacencies that are synergistic to and complement its core services.

e& UAE will continue to support e& Group in delivering excellent financial performance by significantly contributing towards e& Group's revenue and net profit growth with high profitability margins. Further, it will continue to be a sustainable free cash flow engine to facilitate e& Group's investments while continuing to support synergy maximisation across e& Group.

Our 2030 Strategic Goals:

Grow core revenue

To be the best **CX provider** in the UAE

Increase digital revenue contribution

Best tech employer of choice **in the Middle East**

Generate **higher** cumulative **free cash flow**

e& UAE (continued)

Our Strategic Pathways

To realise its 2030 Vision and Strategic Goals, e& UAE will focus on four strategic pathways:

Grow
share of wallet in core and beyond

e& UAE will enhance its role in consumers' lives by capturing a greater "share of moments" and positioning e& UAE as a provider of digital experiences. Whereas, for the business segment, e& UAE is aspiring to become the prime telecommunication orchestrator in the UAE thus powering the fourth Industrial Revolution. e& UAE 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
new growth engines

e& UAE is aiming to become an incubator of digital services to maximise value via a process in which it will "experiment – grow – nurture – scale up" digital engines. This will be delivered via the adoption of best-fit operating models to maximise synergies with the core business. To this end, e& UAE will pursue digital services that are complementary to the telco core via a partnership-centric approach to further premiumise the telco core and scale new growth engines. e& UAE has defined a clear path for growing such priority digital services that combines the optimum mix of organic and selected opportunistic inorganic moves.

Excel
in world-class CX delivery

e& UAE recognises customer experience as being a differentiator to retain and create value for its customers. As such, e& UAE 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. e& UAE is committed to enhancing the digitisation and personalisation of experiences through the implementation of AI.

Transform
into an AI and data driven organisation

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

A strategic approach to create a positive impact through AI

e& UAE is in the process of implementing AI across different areas to transform product portfolios, streamline operations, personalise customer interactions, enhance employee efficiency and optimise networks and other support functions.

In 2023, e& UAE defined a comprehensive AI strategy with four key strategic pillars:

1. Autonomous - to achieve limited or zero human contact across the network and retail stores
2. Hyper personalisation leading to bespoke experiences for our customers
3. Informed decision-making that optimises corporate functions and processes based on historic large datasets and predictive outlook
4. Monetisation of data assets across SMB/enterprises by developing AI-driven revenue streams

This strategy has been translated into a corporate-wide AI-First Programme which is governed by an AI Council, a CEO led forum that reviews and prioritises transformative AI-related use cases along with assessing associated risks and required capabilities.

A prime example of our AI-First Programme in action was e& UAE's launch of "EASE" (e& UAE Autonomous Store Experience), the world's first autonomous telecommunications store. Powered by AI utilising ground-breaking technologies, it empowers our customers to seamlessly purchase e& UAE products and services.

The autonomous store brings the future of retail to the UAE with its combination of AI, machine learning, facial recognition, smart gates, robotics, smart-shelves and smart dispensing machines. The seamless customer journey enables customers to enter the store using facial recognition or the e& UAE app – they can then explore and purchase a wide variety of products and services (mobile and fixed products, accessories, handsets, device trade-in) and just walk out of the store with a simple self-check-out.

Ultimately, shoppers enjoy a quicker and more convenient shopping journey with zero waiting time. This heightened level of convenience and speed contributes to an improved overall customer experience.

On a broader level, our AI strategy and programme is enabling e& UAE to fully harness the power of AI across a range of areas such as:

- Powering CVM related revenue via ML models – driving significant revenue uplift in both B2C and B2B segments
- Roaming strategy – established smart engine to identify when, where and duration of roaming for customers, and to propose enticing offers
- WhatsApp for business customer care – launching a virtual assistant chatbot that supports business customers on the WhatsApp channel
- ChatGPT integration into teams and our GoChat app – driving productivity and experience improvements
- Creation of a GenAI chatbot powered HR assistant – providing much needed information at the fingertips of all our employees
- Field force automation – enhancing efficiency and productivity
- AI-powered network use cases to improve sustainability – helping to create a more sustainable operation

The AI-First Programme has grown rapidly during 2023 and created a range of improvements, for example:

- An 8x increase in the number of AI use cases delivered across the organisation
- ~40% increase in the number of automated processes
- A 4x increase in the number of AI-handled transactions
- ~200 trained "Citizen X" – a growing cohort of employees that are being empowered with tools (e.g. No-code/low-code and auto AI modelling) that is heralding a new wave of self AI use case delivery
- AI-First Programme being responsible for over AED 1 billion of value under management

Furthermore, e& UAE has developed a progressive approach around emerging frontiers of AI with a focus on GenAI and Large Language Models (LLM).

e& UAE (continued)

Setting new performance benchmarks

We take pride in the continued leadership of our networks. In mobile, we have solidified the status of the UAE being the world's fastest country when it comes to mobile, as mobile download speeds more than doubled compared to the end of last year, with Dubai ranked as the fastest city globally. Our 5G network is now a cornerstone in our mobile network; 5G sites increased by 50% year-on-year, carrying more than 40% of our mobile traffic, and during Gitex we showcased the worlds' fastest 5G SA downlink speed of more than 13 Gbps.

In fixed, our network has been instrumental in upholding the UAE's global leadership in Fibre-to-the-Home (FTTH) penetration for yet another year; as we expanded our fibre network by 5%, while average fixed broadband speeds increased by 15% year-on-year. These efforts, in addition to continuous operational improvements resulted in the UAE present in the top five fastest countries in 10 out of 12 months in 2023 for fixed broadband download speeds, with Abu Dhabi consistently ranked in the top three fastest fixed cities globally.

Overall Revenue Growth: **6.1%**

EBITDA Growth: **4.4%**

Mobile Postpaid Subscribers Growth: **8.5%**

Mobile Subscribers: **12.6 million**

Smartphone Penetration: **89.8%**

Innovative launches and enhancements drive revenue growth and diversification

e& UAE continued to transition from a provider of connectivity-centric propositions to a provider of premiumised and curated digital experiences during this year.

For example, our lifestyle focused super app, Smiles, enjoyed another year of stellar growth in parallel with remarkable expansion of its portfolio and ecosystem, bringing the total number of services to 60+, doubling from the previous year, and gross merchandise value of all transactions growing by 66% year-on-year.

On the food delivery vertical, Smiles continues to expand its food partners (10,000+ restaurants and growing) while launching its dedicated fleet to further improve customer and delivery experience. In 2023, Smiles has onboarded consumer favourite brands such as McDonald's, KFC, Pizza Hut, Hardee's, Costa Coffee and many more.

Similarly, it has also been a significant year of growth for Smiles in the online grocery vertical, with launch of its own dedicated store, Smiles market, offering a wide selection and in-stock guarantee to its customers. The Grocery vertical also enjoyed a growth of 5x in revenue (year-on-year). At the same time, we expanded our Groceries and More marketplace with the addition of the popular pharmacies' category.

Finally, following acquisition of ServiceMarket by Smiles in early 2023, a broad selection of home services (45 services to date), were launched on the Smiles app, including cleaning, home improvement, laundry, luxury spa and health services. The convenience of the services attracted significant interest from customers and achieved 2.5x growth in transactions in less than a year.

We have also continued to grow GoChat Messenger, our all-in-one free voice and video calling app with downloads exceeding 6.7 million.

Other product launches for consumers throughout the year reinforced e& UAE's blended portfolio of connectivity and digital services, including new digital launches and upgrades to the Switch Android TV app and Arena Challenge, an AI-powered social gaming service.

e& UAE also offers a range of NextGen advanced connectivity solutions for government and business customers, leveraging 5G, Edge and private networks. Our continuously expanding portfolio of unified communication, collaboration and contact centre solutions allows organisations to transition from legacy voice solutions to agile, secure and fully managed cloud communication solutions. During 2023, a number of SMB digital offerings were successfully launched, including:

- UTap – launched in August 2023, is a payment solution that makes it easy for businesses to accept payments online and in-store. In less than four months, we have processed more than 95,000 transactions
- 5G Wireless Line solutions – enabling advanced use-cases for diverse verticals to realise the full potential of 5G
- Launch of SOHO segment – targeting start-ups and micro businesses with stimulating plans and tailored solutions
- National Programme for Establishing Businesses – launched in Q4 2023, the programme has an objective of empowering 100% locally-owned businesses and Emirati entrepreneurs as e& channel partners to unleash their potential and lead the UAE's economic development. We are already seeing traction with several partners onboarded, and several others in progress
- Elite Business Segment – a programme committed to simplifying, enabling and empowering businesses with a premium experience by unlocking direct access to e& UAE
- Apps 360 – an AI-powered service that allows businesses to build mobile apps with almost no coding

e& UAE in 2024

In the year ahead, e& UAE will continue to invest and innovate in order to strengthen our outright market leadership position and continue to deliver profitable revenue growth. The rapid transformation that accelerated in 2023 will continue in 2024, as we seek to unlock the value of AI across multiple areas of our business, expand product and service launches, scale our priority digital adjacencies, optimise internal processes and operations, and personalise and enrich customer experiences.

We will also renew our efforts to push the boundaries of possibility on the network front, upgrading and improving our networks in order to reinforce our network leadership position in our market.

Awards and recognitions in 2023

Crowned the strongest telecommunications brand in the Middle East and Africa according to Brand Finance's #BFGlobal500 rankings, and ranked among the top three strongest telecommunication brands worldwide.

First operator in the MENA region to receive
Open API Silver Certification from TM Forum

"Best HR Communication Strategy", "Best Succession Planning Strategy" and "Best Talent Mobility Programme"
from Employee Experience Awards 2023, Singapore

Best 5G-to-B Innovative Advancement award
from SAMENA Telecommunications Council

Middle East Technology Excellence Awards 2023:

"API - Payments"
award for the "Add to your etisalat bill", the seamless, convenient and secure payment method

"Big Data - Advertising"
award for powering a new, privacy-first digital currency enabling safe audience recognition and activation in the digital advertising ecosystem

MMA SMARTIES MENA Innovation and Creativity Awards 2023:

#GoWell campaign for dedication to health-focused digital solutions

e& UAE universe for first #telco MENA brand in the metaverse

e& international

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), e& international reaches over 148 million customers and is a major financial contributor to the Group.

Accelerating international reach and impact

e& international continued to expand to new markets and create increasing value during 2023. All operating companies delivered strong performance with solid revenue growth, despite macro-economic headwinds in several countries. Additionally, our operating companies continued to lead in customer experience. During the year, we delivered on our ambition to grow inorganically. We are consolidating in our current markets, with PTCL Group announcing the acquisition of Telenor Pakistan. We are also expanding the portfolio globally, with our acquisition of a controlling stake of PPF Telecom's assets in four countries in Central and Eastern Europe.

In 2023, e& international introduced its Partner Networks Programme, designed to provide access to e&'s growing benefits and cutting-edge expertise to other operators. The programme has yielded timely progress, with partnerships signed with four operators covering five countries to date. e& international also launched its first digital telco brand, Onic, in Pakistan this year. In collaboration with e&'s joint venture with Circles Life, the ambition is to expand our digital footprint to other markets.

With a robust and well-established governance process, our operating companies work 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.

Strategic growth across our international footprint

e& international supports e& Group's overall ambition to grow the portfolio globally, in telco and adjacent verticals. As e& international continues to expand, organically and inorganically, the ambition is to comprise an increasing portion of Group revenue and EBITDA.

e& international supports the Group's strategic objective to digitise and transform operations through our Artificial Intelligence and Advanced Analytics Centre of Excellence. Through this Centre of Excellence, we leverage our in-house capabilities to support our operating companies and members of the Partner Networks Programme.

Our LEAD strategy framework outlines our international ambition across four pillars:

Lead in organic growth: At the heart of e& international's strategy is an acceleration in growth of organic revenue across our international footprint. Our continued success is testament to our market-leading customer experience, driven by superior network quality and innovative commercial propositions. While maintaining this competitive edge, our strategy is to expand and further deploy our best-in-class AI and advanced analytics capabilities to maximise revenue from customer value management ("CVM") and boost growth. Amidst the uncertainty of the current macro-economic climate, we will also continue to focus on strengthening the resilience of our operating model, tightening our cost base and optimising capital structure wherever necessary.

Expand internationally: A central component of e& Group's strategy is to continue to pursue international expansion. Diversification through M&A reduces risk of our portfolio and grows our scale, providing access to a larger customer base for e& Group's digital services. Following the completion of our acquisition of a controlling stake in PPF Telecom, expected in 2024, we will be integrating its operating companies into the e& international business unit, while also pursuing further expansion opportunities. Our M&A strategy remains focused on well-positioned operators in stable markets that can support our growth objectives, while also generating a significant synergistic upside.

Accelerate digital ecosystems: Digital growth is a critical area of focus for e& international as we strive to achieve our mission of becoming the centre of digital life for customers around the world. In addition to accelerating penetration of digital channels, Fintech services, gaming and a raft of B2B digital services, we will also be focusing on the expansion of our digital telco joint venture (JV) with Circles Life to other markets both within and outside the current footprint. Leveraging the platforms and capabilities within the wider group, we also plan to support execution of digital growth ambitions through commercial partnerships and, where relevant, inorganic growth.

Drive scale synergies: As e& continues to expand, we see an ever-growing opportunity to capitalise on the size and strength of the Group and extract further value from synergies. This not only includes extending synergies to newly acquired operating companies through integration, but also maximising value creation within the existing footprint. Synergies are delivered through a combination of sharing knowledge, best practices and capabilities between our markets, including AI and digital product development, as well as leveraging e& Group's procurement and wholesale functions to drive sizeable scale-based revenue upside and cost savings.

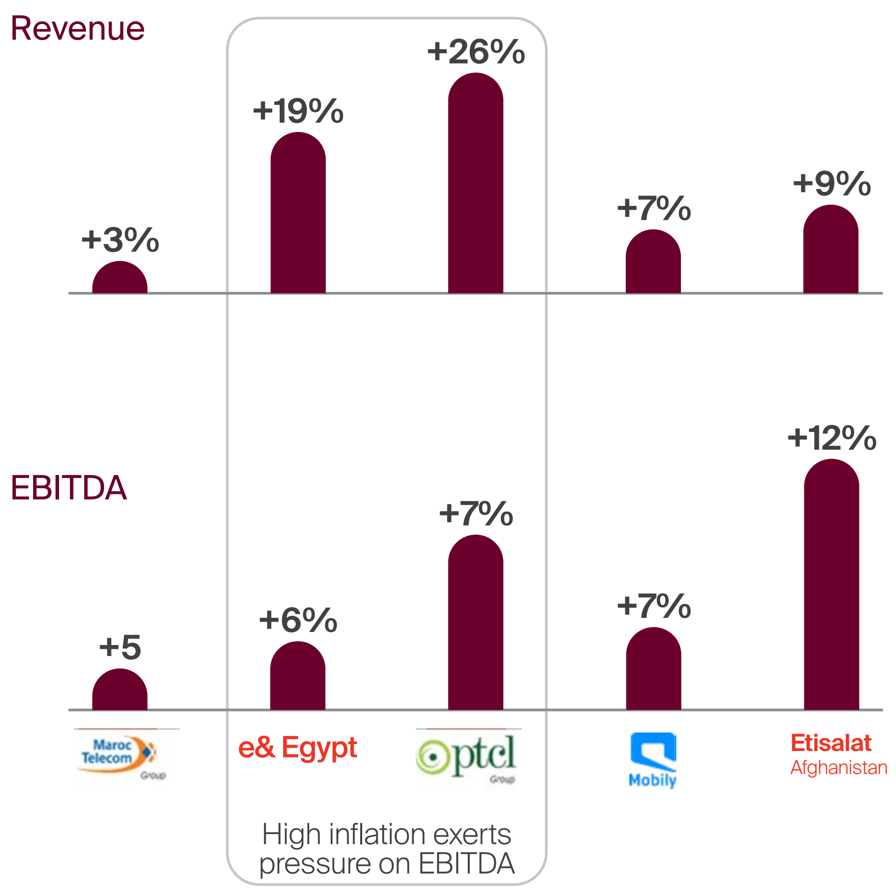
Solid results and outstanding customer experience

Despite a challenging year in several of e& international's markets, with record inflation, rapidly depreciating currencies, rising energy costs and climbing interest rates, all our five major operating companies grew revenue in local currency.

Overall, e& international generated revenue of AED 19.4 billion and EBITDA of AED 9.2 billion. This represents a contribution of 36% and 35% of the Group's consolidated revenue and EBTIDA, respectively. At constant exchange rates, e& international's revenue grew by 10% compared to 2022.

e& international (continued)

Revenue and EBITDA YoY Growth
(LCY)



Beyond financial performance, our operating companies continue to lead in customer experience, with four of our five largest markets ranking #1 or #2 in NPS.

Customer Experience
(NPS, October 2023 YTD)

e& Egypt	ufone 4G	Mobily	Etisalat Afghanistan
#2	#1	#1	#1

Expanding our footprint in Central and Eastern Europe

In August, e& announced its intention to acquire a controlling stake in PPF Telecom's assets in Bulgaria, Hungary, Serbia and Slovakia. Once closed, this acquisition will expand e& international's footprint to 19 countries and include a new region of Central and Eastern Europe.

The PPF acquisition fits with e& international's ambition to expand and diversify internationally. The four markets offer favourable conditions, including stable currencies, well-established regulatory frameworks, and competitive operating environments with solid growth.

The PPF assets are highly complementary to e&, providing significant opportunity to drive synergies and accelerate growth. The transaction also provides a platform for future expansion in Central and Eastern Europe and beyond.

Creating value through AI

In 2023, e& international continued to play a pivotal role in creating more value for the Group by expanding and delivering "AI-as-a-Service" to external clients across various sectors and geographies, while continuing to serve its operating companies.

e& international's team of Data Scientists, Data Engineers, Gen AI Specialists and Domain Experts worked closely with clients to understand their unique needs and develop customised solutions that deliver measurable results.

By leveraging different technologies and platforms, e& international's AI team delivered many cutting-edge solutions to operating companies, e& Group functions and business units, as well as external clients.

- Deployed over 250 machine learning models which formed the backbone of customer value management ("CVM") Operations in operating companies
- Developed an in-house insights generator tool by leveraging Gen AI
- Helped Hassantuk programme management team in the UAE to develop AI driven alarm prediction models as part of the predictive maintenance programme
- Delivered state-of-the-art AI driven solution, to identify hidden affluent customers within the existing base, to a large bank in the UAE to help them gain value maximisation
- Developed industry agnostic machine learning based recommendation tool and deployed across multiple operating companies
- Delivering CVM engagement as part of e& Partner Networks Programme

e& AI has also entered into strategic partnerships with Data/CVM platform providers, research and publications firms and AI universities in order to fuel the expansion of AI as a service portfolio.

Progress and achievements across our five international markets

e& Egypt

Egypt faced unprecedented macro-economic headwinds in 2023, including record inflation, currency devaluation and rising interest rates. In the face of these difficult conditions, e& Egypt delivered healthy growth for both revenue and EBITDA in local currency.

During the year, e& Egypt grew across all segments – consumer, business and wholesale. The consumer customer base crossed the milestone of 30 million subscribers. e& Egypt continuously invests in its network to improve performance and customer experience, driving steady reductions in churn over the year.

e& Egypt continued to execute its transformation to become the country's leading technology company. Multiple merchants and lifestyle offerings were added to the My Etisalat app, initiating its transformation into a super-app. During the year, the Company announced several Fintech ventures including the launch of SuperPay by e&, a Fintech venture offering a variety of payment and acceptance solutions, and e& Neo, a venture with Mashreq Bank enabling banking services through the My Etisalat app.

e& Egypt is also delivering on its digital agenda through impressive growth of monthly active users and transaction value on etisalat cash. The Company continues to expand its innovative digital entertainment offering with the launch of Twist TV, a standalone video streaming application. Twist Music grew rapidly in 2023, as e& Egypt delivers superior experience through its customer-centric approach tailored to the Egyptian market.

Awards and recognitions in 2023

e& Egypt

Awarded the fastest network in Egypt
by the world's leading telecommunications organisation Ookla

Awarded amongst the Top 50 Inspiring Workplaces
in the EMEA Region and branded as an Inspiring Workplace in 2023

Awarded the top 100 Global Inspiring Workplaces
Award by the Inspiring Workplaces Group in 2023

Awarded two prestigious Stevie Awards for outstanding achievements in HR Innovation;
the Golden Award for Employee Engagement and the Silver Award for Employee Wellbeing

Rational for Strategic Investment in PPF Telecom Asset

Sizeable cluster of well-run entities
- Strong market position and positive value share evolution
- Consistent revenue growth in the past five years

Operating in favourable markets
- Broadly stable currencies
- Healthy competitive environment, ARPU growth above inflation
- Well established regulatory framework

High complementarity with e&
- Opportunity for e& to realise synergies
- Value creation driven by larger scale
- e& verticals and COE to complement PPF capability

Platform for future regional expansion
- Several in-country consolidation opportunities
- Multiple synergetic expansion opportunities in CEE and beyond

e& international (continued)

PTCL Group

Despite challenging macro-economic conditions, PTCL Group was able to achieve record top-line and EBITDA growth in local currency. In both fixed and mobile, PTCL has been able to effectively monetise its network investments and improve its position in the market. The Company reached a major milestone in its digital transformation with the launch of its digital brand, "Onic".

In December, PTCL announced it has signed a binding agreement to acquire 100% of Telenor Pakistan. The acquisition will combine the strengths of PTCL and Telenor Pakistan, enabling synergies that will drive innovation and accelerate the Company's digital transformation. Telenor Pakistan, a subsidiary of Telenor ASA, is one of Pakistan's largest mobile operators, providing voice and data services to approximately 45 million customers since 2005. This opportunity for market consolidation enables us to connect with a wider base of customers and accelerate investments in network and new technologies.

In the fixed business, PTCL, investments have focused on expansion of Fibre-to-the-home (FTTH) technology. PTCL's FTTH footprint crossed one million households, adding 500,000 additional home-passes and doubling FTTH subscribers in 2023. The Company delivered considerable growth in the B2B segment, leveraging PTCL's position as leader in fixed services for the enterprise and government sectors.

For PTCL Group's mobile business, Ufone, surpassed the milestone of 25 million subscribers in 2023, driven by the highest subscriber growth in the market. Subscriber growth, combined with effective data monetisation enabled record topline growth, while investments in network and the expansion of 4G coverage delivered improvements in its award-winning customer experience.

Mobily

Mobily progressed on its vision to be a digital leader in Saudi Arabia during 2023. Investments in network expansion and quality enhancements resulted in the Company leading in customer experience.

During 2023, Mobily continued to execute on its ambition to evolve into the TMT company of the future. MobilyPay, the Company's financial services platform launched in late 2022, grew to nearly one million wallets with monthly transactions to the value of nearly SAR 1 billion as of September 2023.

Maroc Telecom Group

Maroc Telecom Group delivered growth and consistent financial performance in 2023, despite difficult macro-economic conditions. The Company maintained a high level of profitability, supported by cost optimisation efforts.

In Morocco, the Company faced headwinds from challenging regulatory measures and a highly competitive market. Maroc Telecom's investments in Morocco in 2023 were focused on network modernisation and expansion, resulting in strong growth in mobile data and FTTH subscribers. Moov Africa subsidiaries also showcased revenue growth, despite challenging macro-economic and competitive challenges in some markets.

After a devastating earthquake hit Morocco in September, Maroc Telecom Group pledged to donate 700 million Moroccan Dirhams to disaster relief. The donation demonstrates the Group's commitment to the country, its citizens and rehabilitation efforts.

Etisalat Afghanistan

Afghanistan remains a challenging market, operationally, socially and politically. Etisalat Afghanistan has nonetheless succeeded in performing exceptionally well, despite the adverse market conditions. In 2023, Etisalat Afghanistan grew revenue, EBITDA and net profit year-over-year.

The Company remains the leader in the market, both in terms of revenue market share and customer experience. Looking forward, Etisalat Afghanistan seeks to maintain its strong momentum, leveraging network investments made in 2023 to capitalise on the growing demand for data in the country.

e& international in 2024

e& international will continue to focus on the four pillars of our LEAD strategy in 2024:

- Lead in organic growth
- Expand internationally
- Accelerate digital ecosystems
- Drive scale synergies

In 2024, we will seek to successfully complete the two acquisitions announced in 2023 related to PPF Telecom assets in Central and Eastern Europe and Telenor Pakistan and integrate them into our operations. Building on the strong performance and expansion of our international operations, e& international will continue to explore opportunities for further geographic growth and diversification in stable markets with healthy competition and robust regulatory environments.

Across our 15 markets, we will seek to accelerate organic revenue growth through NPS leadership and best-in-class customer value management ("CVM") during 2024, while extending scale synergies and e& Group best practices to our newly acquired assets.

We will also look to build on the initial success and momentum of our Partner Networks Programme, as well as expanding our digital telco JV to new markets, accelerating adoption of digital channels across our growing footprint.

Awards and recognitions in 2023

PTCL Group

Awarded Best Place to Work in Pakistan for the first time
by Pakistan Society of Human Resource Management

Awarded the prestigious Health and Safety Excellence Award
at the 17th Occupational Health and Safety Awards Ceremony held in Karachi

Recognised as the "Most Facilitating Employer over the last Five Years"
at the National University of Science and Technology's "NUST Placement Recognition Awards 2023"

Ufone has been declared the "Global Rising Star"
by Opensignal at their Global Awards 2023 for achieving one of the highest ratios of improvement in user experience in all five telecommunication service categories

Mobily

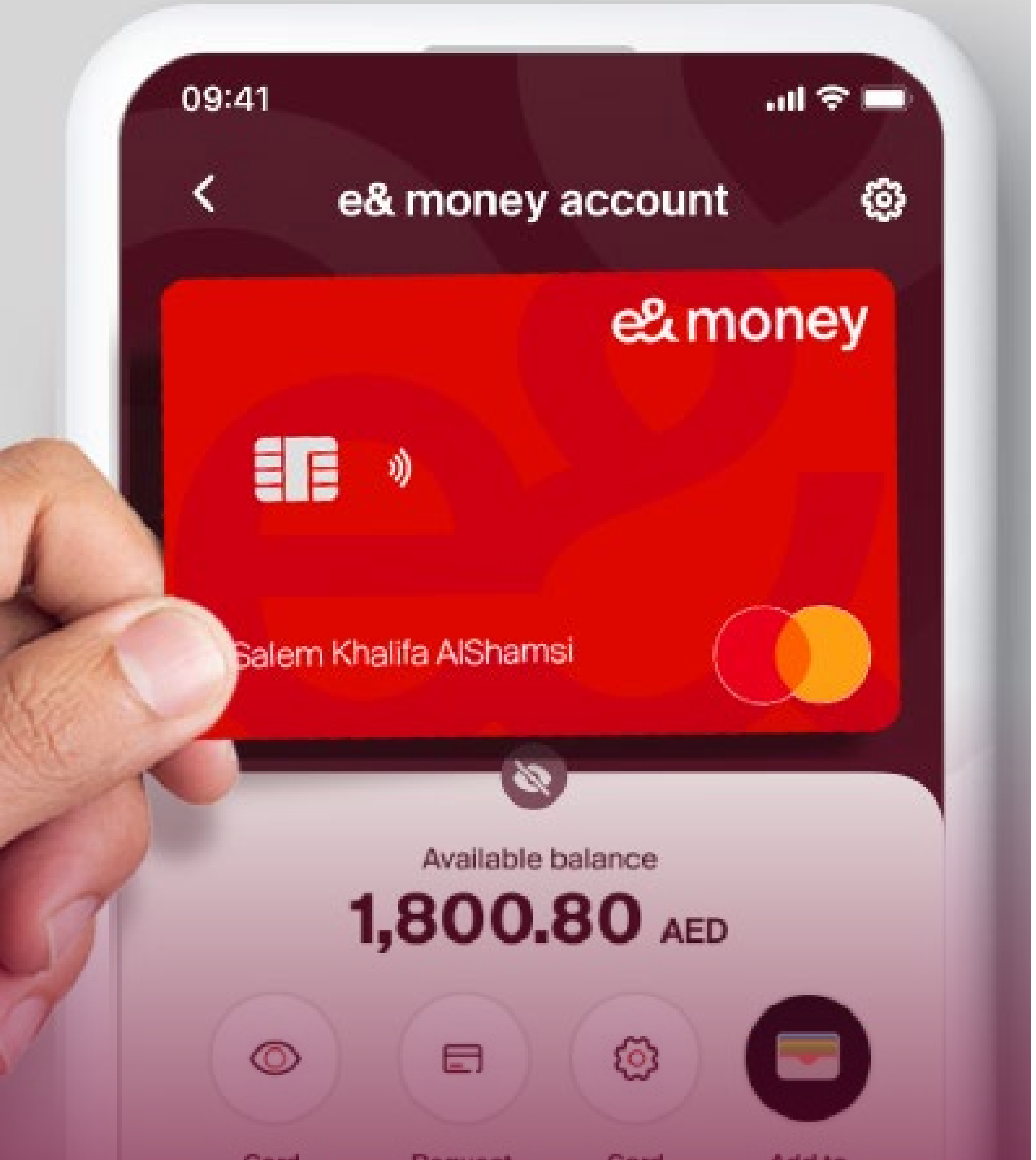
Awarded "Best Middle Eastern Carrier"
at the Global Carrier Awards 2023

Awarded first place in download speed across gaming platforms of Saudi operators in Q2 2023,
according to the Game Mode report issued by Communication, Space and Technology Commission (CST)

Won the LEAD Award in Customer Experience Excellence
from Samena Telecommunication Council in recognition of the Company's efforts in achieving superior customer satisfaction

MSCI ESG Index rating has been upgraded from BBB to A,
reflecting the Company's commitment to sustainable and responsible business practices

e& life



About e& life

e& life brings the next-generation digital world to consumers' fingertips through leading Fintech, entertainment and everything app services.

Building scale for greater reach and impact

e& life delivered significant growth and captured market share in 2023, becoming the home of several leading consumer digital businesses across multiple verticals. The acquisition of the Careem Everything App, combined with the growing strength of evision-STARZPLAY, and the outstanding success of the e& money financial app, powered e& life to even greater heights, posting strong revenue and customers growth in a year of outstanding progress and achievements.

In Fintech, e& life has trailblazed the region with its e&money app, committed to breaking down barriers customers face accessing financial services. Its unique offerings in international remittances and online to offline payments are complemented by our investment in Wio, a top digital bank expanding financial access to Corporate and Retail Consumers. This reinforces our commitment to digital innovation in the financial services sector.

On the entertainment front, evision is the largest and most trusted content aggregator in MENA, as e&'s media division. Our strategic stake in STARZPLAY, the regional SVOD leader, further expands e& life's entertainment ecosystem.

Another key addition is Careem's Everything App for food, grocery, delivery, micro-mobility and digital payments with CareemPay. This premier digital platform strengthens e& life's consumer offerings across MENA.

Delivering on our vision

e& life's strategic priorities are to continuously enhance its Fintech, entertainment, and every-app services in the UAE and beyond. With e& money, evision and the Careem Everything App, we continued to diversify our offerings and expand our customer base within the MENAP region in 2023.

We faithfully executed this strategy throughout the year, with a particular emphasis on scaling up the consumer digital vertical following the acquisition of Careem Everything App.

The rise of AI in 2023 had significant implications for e& life's business and outlook. We focused on harnessing the power of AI to enable greater user convenience, innovation and cost-efficiency to our users. Specific use cases included self-onboarding KYC technology, automated credit-scoring algorithm for small-size loans, and other innovative applications in video-on-demand (VOD) space.

e& life's geographic footprint also expanded during the year, with the Careem acquisition unlocking a wider regional presence within the MENA region. Our aim is to accelerate e& life products and capabilities beyond the UAE, building strength and services across our growing combined services footprint of 22 countries.

Accelerating strategic progress and performance in 2023

Digital Entertainment: at the cutting edge of innovation

Launched in November, StarzON is e& life's new FAST and AVOD-based streaming service. Powered by AI-driven ad technology, it provides smart targeting of users based on their preferences, behaviour and geolocation.

StarzON offers a mix of regional and global content tailored to the needs of its audience in multiple languages, combining FAST linear channels and a library of on-demand content for viewers across the MENA region.

Launched in a record-breaking time of only three months, compared to industry averages of 12-18 months, has been designed as an AVOD/SVOD single app with STARZPLAY, providing ~50 FAST and Linear channels (over 6,000 hours of content) in Phase 1, with an emphasis on region-wide, mass market TV and movies in popular genres.

This new platform is available to all users based in the MENA region, allowing them to access FAST channels on their Android and iOS devices, driving growth in subscribers and revenue for the platform.

01	e& money to be the leading Fintech player in the region
02	evision to be a leading regional entertainment provider covering video, music and more
03	Careem to become MENAP's leading everything app, and continue to drive synergy implementation with e&
04	Vertical acceleration through venture building, acquisition,and partnerships

evision | STARZPLAY

Launched StarzON, a revolutionary ad-supported app in record time[1]

50+ channels and **6,000** hours of on-demand content, all available for free in phase 1

Integrated under 1 single app with STARZPLAY

[1] Further enhancements, both in terms of content and product upgrades, are planned to be introduced gradually

e& life (continued)

Fintech e& money became UAE's #1 Fintech App in 2023

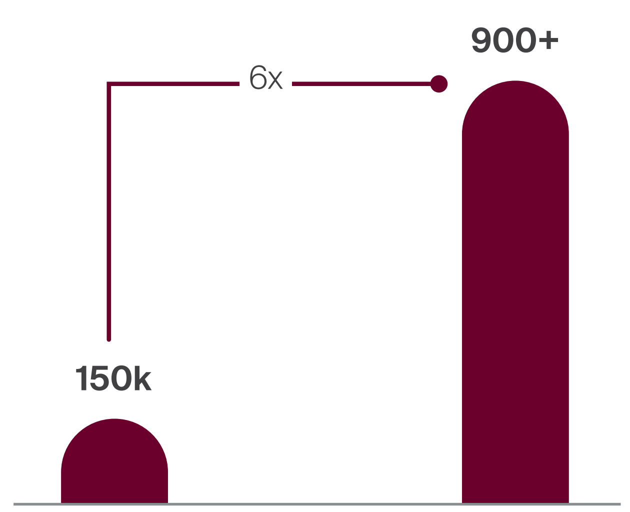
With its innovative features and user-friendly interface, e& money has delivered on its early potential to rapidly emerge as the nation's favourite Fintech app. It has captured hearts and market share, delivering outstanding growth with a 10-fold increase in monthly active users (MAU) since it was relaunched in July 2022. It is now firmly established as the UAE's financial super app and largest Fintech platform in terms of MAU within its first year of operations.

In 2023, e& money continued enhancing its financial super app to empower customers with seamless digital payment solutions. During the year, e& money expanded the capabilities of its super app through strategic partnerships, with a focus on boosting the e& money card offering.

In March, e& money launched a branded prepaid card to enable payments anywhere the Mastercard network is accepted. This partnership advanced financial inclusion by making digital payments accessible to all customer segments online and offline, and opened up the path to a new loyalty programme, a unique 1% cash back rewards programme in the UAE.

All these initiatives resulted in expanding e&money MAU base by **10X** and Remittance Transaction by **6X** in 2023.

Remittance Transactions



4x
Revenues

350k
Cards issued since launch

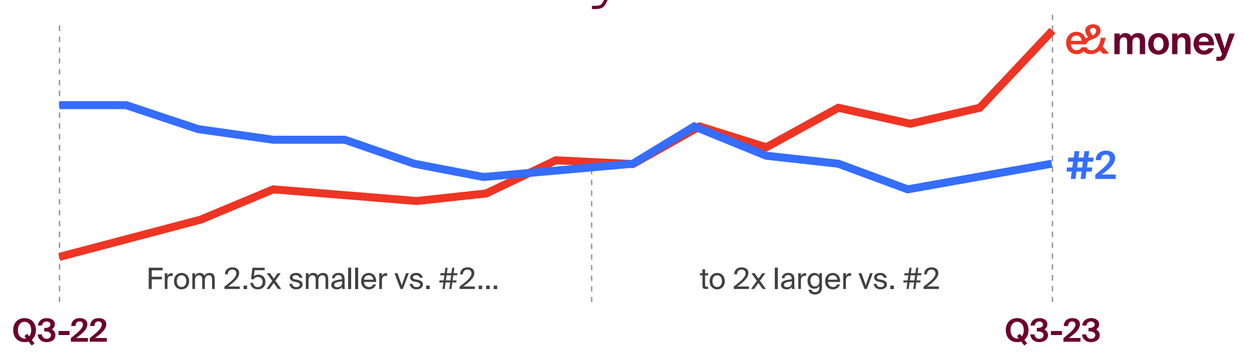
Wio Bank becomes the UAE's digital banking leader

Wio Bank, in which e& life is a strategic investor, is a new digital bank launched in the UAE in 2022. Wio has seen meteoric growth in its first year of operation, rapidly becoming the #1 choice for new SMEs in the country.

Wio Bank's success is due in part to its innovative digital banking platform, which offers a wide range of products and services that are tailored to the needs of SMEs and individuals. The bank also has a strong focus on customer service, which has helped it to build a loyal customer base.

Well-positioned for continued growth in the years to come, the bank is committed to providing its customers with the best possible banking experience, and it is constantly innovating to meet their needs.

We became UAE's **#1** Fintech app, 12 months post our relaunch in July 2022



MENA market traction and leadership	First of their kind originals in MENA
+3m subs on STARZPLAY (+1m vs Sep-22)	Emmy-nominated luxury real estate series "Million Dollar Listing" UAE- edition
+1m downloads on evision and OpCo OTTs since launch	"The Italian Dream" show-casing the best MENA youth football talent

e& life in 2024

Looking ahead to 2024, e& life will continue to enrich its digital footprint with new digital products and AI-powered services. We will expand into multiple entertainment verticals beyond video to serve broader audience needs. We will accelerate our Fintech product portfolio, with complementary and new high-margin products beyond payments, such as instant credit, wealth and merchant value added services. Accelerating the Careem Everything App's growth within key food, grocery and payment verticals remains a priority. Finally, we will expand e& life's products and capabilities beyond current footprint to increase our regional leadership.

Careem Everything App becomes part of e& life

Another significant addition to the e& life ecosystem in 2023 was Careem Technologies Everything App. Consolidated in 2023, the Dubai-based Everything App, provides food delivery, package delivery services, grocery delivery, and Careem Pay, a digital wallet that allows users to pay for services within the app, send money to friends and family, and make purchases.

Awards and recognitions in 2023

evision

"Outstanding Strategy for Business Expansion"
at BroadcastPro Summit and Awards 2023 Emoney

Won Seamless award for best tech innovation in financial services award

STARZPLAY

"Top 50 Most Admired Companies"
by Arabian Business

"MENA Trendsetter of the Year"
at BroadcastPro Summit and Awards 2023

"Media Entrepreneurs of The Year"
for STARZPLAY Founder at BroadcastPro Summit and Awards 2023

Wio Bank

Won "MENA Digital Bank of the Year"
at MENA Banking Excellence Awards 2023

Won "Best NeoBank" and "Most Innovative Mobile Banking App"
at MEA Finance Banking Technology Summit & Awards 2023

"Intelligent Banking and Finance Implementation Award"
at Intelligent ICT Awards 2023

e& money

Won Seamless Award for best tech innovation
in financial services

e&'s OTTs recently hit a combined 1 million downloads in less than six months since launch, with stronger uptake expected going forward with the activation of new bundles.

e& enterprise

About e& enterprise

e& enterprise enables organisations across multiple sectors to maximise their digital potential. It provides advanced digital capabilities that continuously transform and enhance how companies do business by designing, delivering and operating impactful, intelligent and secure end-to-end digital solutions. e& enterprise is committed to helping our clients thrive in the digital age by leveraging resilient platforms and digital vertical value propositions.

Rapid growth and diversification in 2023

e& enterprise delivered another stellar performance during 2023, posting strong revenue and EBITDA growth that was driven by an expanded team with the experience and capabilities to navigate the complex landscape and capture opportunities for growth and value creation.

The year saw significant M&A activity to further solidify our value chain and a number of new product launches across our ever-expanding portfolio to better serve our client base. We secured key client mandates and signed lucrative E2E digital transformation deals, both within our core market and across our expanding international footprint.

At the core of e& enterprise's business are the three pillars of excellence – People, Technology and partnerships ecosystem – that form the foundation of our capabilities and have been instrumental to our success. These pillars enable e& enterprise to consistently deliver superior service and value to clients, making them an integral part of our continued growth and achievements.

Strategic ambition as a market-leader and innovator

Our mission is to provide advanced digital solutions to continuously transform and enhance the way companies do business and our aim is to position ourselves as a regional digital leader, constantly enhancing and transforming the way enterprises conduct their business. As a result of our successful deployment of B2B solutions, we have earned the trust of our enterprise customers. They rely on us to help enable sustainable development, create safer cities, improve government services, provide connected healthcare, enhance education, shape the future of banking, enable highly automated industries and optimise manufacturing and logistics.

Our strategy relies on four strategic pillars:

*Lead in the UAE: e& enterprise aims to be a key driver of the UAE's digital future, contributing to the country's growth as a hub for technology and digitalisation in the Middle East

*Execute and operate regionally through selective M&A: selective M&A in digital space are enabling e& enterprise to accelerate growth through stronger market recognition and geographical expansion

*Accelerate the use of emerging technologies leveraging strategic partnerships: e& enterprise will continue to drive innovation and accelerate digital adoption with fruitful collaborations, including partnerships with major accelerators, scale-ups and technology providers regionally and globally

*Drive a people-centric culture while nurturing talent: e& enterprise believes that our people are a key asset and therefore strives to nurture and empower our workforce while attracting and retaining the best talent in the market, with a skilled workforce consisting of industry experts branching across multiple technologies and domains

Performance and progress across our growth engines

In 2023, e& enterprise delivered a robust 32% year-on-year revenue growth, with EBITDA reaching 13%. We continued to build sustainable growth for the future with a total signed contract value (TCV) forecasted at AED 1.68 billion.

In 2023, we have also grown the team of digital experts in e& enterprise to over 1,200[1], representing more than 65 nationalities operating across multiple markets.

We made significant progress across each of our four growth engines during the year, including:

Cloud

Offering organisations an integrated multi-cloud approach, a strong partnership ecosystem, and the best talent for managing their services. Through a customer-centric and cloud-agnostic approach, we empower governments, large-scale corporates and enterprises to realise the benefits of the cloud by simplifying the complexity of cloud and accelerating its adoption. In addition, with our customer experience practice, EngageX, we support businesses to meet their customer expectations and deliver a superior integrated experience.

2023 Performance:

26% Increase in annual revenue

500+ Managed cloud customers

11 Data centres in the UAE

Cyber

Delivering advanced cybersecurity solutions and risk-based services, Help AG ensures robust protection in a dynamic digital landscape. Our approach safeguards critical assets across industries, securing the digital transformation journeys of enterprises and governments, reinforcing our leadership in cyber resilience throughout the UAE, Saudi Arabia and beyond.

2023 Performance:

36% Increase in annual revenue

120+ Zero-day vulnerabilities published

450+ Cybersecurity practitioners

2 trillion+ Security events analysed

100,000+ Cybersecurity incidents managed per year

[1]According to the 2023 Brand Finance Global 500 Report released at the World Economic Forum (WEF) in Davos.

e& enterprise (continued)

What sets Help AG apart?

2 trillion+
Security events processed and analysed by our managed systems

100,000+
Attacks, incidents, requests and changes handled per year

2
Cyber SOCs
(Dubai and Riyadh)

50+
Potential incidents handled per day

170+
Cybersecurity analysts, geeks, defenders and engineers focused on MSS

120+
Zero-day vulnerabilities identified, accredited and published

18+
Years' experience in the Middle East, focusing on the UAE and Saudi Arabia

#1
Help AG is the leader in cybersecurity #ONETEAM

120+
Threat advisories created, published and released per year

IoT and AI

Focusing on helping governments and enterprises transition to data-driven and highly automated organisations. Our end-to-end advanced Solutions-as-a-Service enable smarter, more sustainable urban developments, safer cities, digital healthcare, digital government and Industry X.O.

2023 Performance:

36%
increase in annual revenue

410,000+
IoT connected vehicles

1 million+
smart meters

500,000+
smart fire alarm devices connected

10,000+
connected cameras

4,000+
public health users

Fintech

Comprising two entities, UAE Trade Connect (UTC) and Beehive, our Fintech division provides dedicated platform solutions to major banks and SMBs respectively.

UTC is a blockchain-enabled solution on the mission to de-risk the trade finance space. It is utilised by member banks and financers as a protective measure against the threat of double financing. This year, UTC successfully expanded its consortium to 15 members, adding diverse market players such as Invest Bank, United Arab Bank, Al Masraf Bank and DP World Financial Services to strengthen its offering.

Beehive was acquired in 2023 and it is the first regulated peer to peer lending platform in MENA that directly connects businesses with investors providing unsecured lending.

Beehive 2023 Performance:

15,000+
investors helping banks

1,000+
business' requests funded

AED 750 million
funded, 25% increase relative to 2022

UTC 2023 Performance:

560,000+ invoices processed with a total value of **AED 116 billion,** representing close to **70% year-on-year growth** in activity

AED 211 million of interbank duplicate invoices detected, exhibiting **five times year-on-year growth** relative to 2022 levels

Portfolio enhancements and new product launches

e& enterprise maintained strategic focus on driving large-scale digital transformation to enable enterprises and governments to become smarter, safer and more connected. To deliver on this ambition, we continued to expand and solidify our portfolio during 2023.

We launched Sustainability-as-a-Service to support companies achieve their sustainability goals, as well as AI-as-a-Service to provide an innovative AI and ML proposition for automated data analysis, with a best in-class partnership ecosystem, to unlock new strategic references and use cases covering traffic management and drone inspection.

e& enterprise also evolved and consolidated the customer experience practice to deliver a superior and unified customer journey with the latest addition of NICE to the portfolio, a single point omnichannel solution, empowering organisations to deliver outstanding customer and employee experiences without the upfront investment of building their own contact centre.

Help AG, the cybersecurity arm of e& enterprise, has announced the launch of UNIFY – the integrated cyber defence platform unifying the customer experience across all Help AG services. The modernised state-of-the-art UNIFY platform provides automation at scale, omnichannel collaboration and unified visibility into customers' complete cybersecurity portfolio. In addition, Help AG has secured the SOC Capability Maturity Model (CMM) certification at the risk-driven Level 3. This certification highlights our strategic, intelligence-driven approach to risk analysis and decision-making. This global distinction is shared by only two SOCs worldwide.

We launched Digital Twin technology this year to help our customers improve efficiency and reduce costs, while also enabling predictive maintenance, enhancing product development and optimising supply chain management.

We also enhanced our end-to-end Industry 4.0 managed services, including digital assessment and consultancy in Industrial Technology Transformation Index [ITTI], as per the Ministry of Industry & Advanced Technology (MoIAT) framework. Our IR4.0 product marketplace for ready-to-use applications helps all categories of business customers to increase efficiency and enhance profitability in their business operations. Our service portfolio also includes learning and development services to democratise Industry 4.0 services.

e& enterprise (continued)

Securing references and signing E2E digital transformation deals

Our differentiated proposition is recognised and respected in the market, allowing us to land large-scale engagements for government and enterprise clients.

One of our most recent references is signing the strategic project with the Ministry of Justice to implement, integrate and operate their new digital platform, revamping the end-to-end customer experience of more than 150 Ministry's services.

During the five-year mega project, e& enterprise will empower the Ministry with the latest technologies leveraging AI, automation and cybersecurity in a state-of-the-art digital transformation supporting the Ministry's ambition to become a worldwide reference.

Closing of key M&A transactions

In 2023, we completed a joint venture (JV) with Bespin Global, which will form the largest pure player in cloud managed and professional services in the METAP region, serving the entire cloud value chain, covering professional services, marketplace and managed services. (See our Strategy in Action on p. 23)

We also finalised the acquisition of Beehive, which will enable e& enterprise to expand its Fintech value proposition and presents a huge opportunity to increase and accelerate financing to SMEs across the region.

International expansion

e& enterprise remains focused on increasing our business contribution outside the UAE.

Our business in Saudi has been gaining momentum, marked by an acceleration on deal closures, landing additional propositions, building the team and reinforcing our brand presence.

On top of Saudi growth, e& enterprise was also able to unlock the new market entry into Oman's P2P market with Beehive, allowing e& enterprise revenues outside the UAE to reach 6% in 2023.

We have a clear roadmap to expand operations beyond Saudi and Oman, considering high potential regional markets such as Egypt, Qatar and Bahrain. On top of this, Eastern Europe is very attractive, with high growth rates in digital markets and a strong talent pool.

Building new partnerships for sustainable success

Throughout the year, e& enterprise continued to build our ecosystem through strategic partnerships across our value chain, including with Abu Dhabi Department of Economic Development to revolutionise Abu Dhabi's manufacturing sector through cutting-edge technologies like IoT, AI and Cloud Computing and with Maxbyte Technologies to accelerate adoption of Industry 4.0 solutions.

We also forged partnership with World Wide Generation (WWG) to launch a global sustainability exchange platform for sustainability data, finance, and solutions, and with Informatica to accelerate data modernisation and governance in the UAE.

Fostering innovation at our Open Innovation Centre

e& enterprise accomplished a significant milestone with the official launch of the renovated Dubai Open Innovation Centre, a collaborative space to host and nourish events and customers visits. Our Open Innovation Centre has been a beacon of innovation, attracting over 1,000 visits since its inception. 90% of these visits were from esteemed C-level executives, demonstrating the importance and value they place on our work.

During 2023, e& enterprise has been reinforcing our AI-as-a-Service (AIaaS) solutions, capabilities and partnerships ecosystem. On a mission to democratise and accelerate the use and adoption of AI in the UAE, e& enterprise offers a full-service stack to organisations to unlock the full potential of their data and drive unprecedented business value.

e& enterprise delivers AI solutions across three pillars: data modernisation, advanced analytics, and visualisation and insights for smarter & agile business decisions. We serve the majority of industry verticals including Banking and Finance, Government, Retail, Healthcare and Energy and Utilities.

Our team of AI Evangelists, Data Scientists, Data and Ops Engineers and Business Analysts employ a consultative approach when engaging with customers, co-building and managing AI apps for desired outcomes and associated values.

Our unique value proposition offers a locally deployed AI ecosystem, with a technology stack comprising a scalable infrastructure and platform environment for integrated development, deployment and operations of AI/ML models.

Additionally, to continuously evolve the portfolio, e& enterprise has set up an AI Centre of Excellence (AI CoE), a centralised experts group ensuring continuous capability building, delivering best AIaaS practices and guaranteeing value creation by overseeing the implementation of organisation wide AI projects.

At the core of our GTM is the extensive partnerships ecosystem that enables us to deliver the complete value chain of AI services thus becoming a one-stop-shop for government and private organisations. The vast pool of partners includes Cloudera, Informatica, Snowflake DataRobot, Alteryx and Microsoft as well as the vertical based niche players with specialised AI solutions.

Unveiling the region's largest cyber defence centre

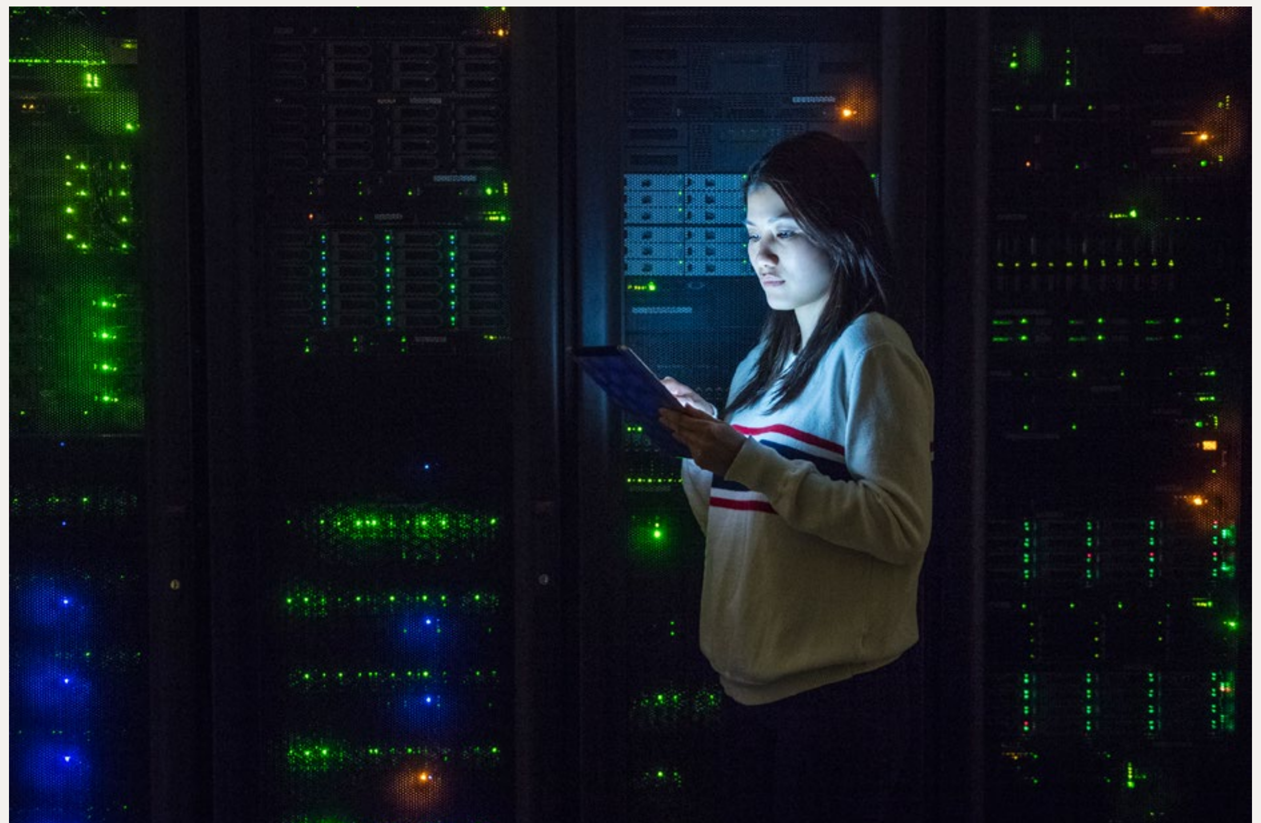
2023 marked the launch of our Cyber Defence Centre on the 13th floor of the Etisalat al-Kifaf building. This centre is a significant step in expanding our cybersecurity services, offering advanced solutions in threat intelligence, leveraging intelligent automation and integrated defence strategies. Equipped for comprehensive DDoS mitigation and realistic threat simulations, it supports our commitment to robust cyber protection.

e& enterprise in 2024

The year ahead presents significant promise for e& enterprise, as we seek to maintain momentum and deliver on our strategic plans. We will focus on securing further key mandates and references in both the UAE and Saudi Arabia, while differentiating our proposition through inorganic growth and strategic partnerships that will further expand our capabilities.

We will also focus on enhancing our in-house talent to build capabilities in key growth areas, such as AI and digital transformation, as well as developing autonomous commercial and consulting capabilities in digital transformation to better serve our customers moving forward.

e& enterprise plans to continue to expand in the years ahead, with an ambition to grow our 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.



Bringing the power of AI to enterprise customers

Awards and recognitions in 2023

EngageX
named "Major Player"
in Worldwide CPaaS 2023 Vendor Assessment by IDC MarketScape

Help AG
recognised as a leader in the IDC MarketScape:
Gulf Cooperation Council Region Managed Security Services (MSS) Vendor Assessment 2023

Help AG
recognised as "Best Managed Security Services Provider"
by Future Security Awards 2023

Help AG
awarded Fortinet's EPSP
(Engage Preferred Services Partner) designation

Help AG
Frost & Sullivan Company of the Year Award
for Best Practices in the Distributed Denial of Service (DDoS) industry

Bespin Global
upheld Premium Status in Gartner standing and received "Visionary" title
in public cloud IT transformation services

UTC's blockchain AI platform
awarded "Best Risk Management Solution Provider"
by MEA Finance Magazine Banking Technology Summit 2023

e& capital

About e& capital

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

Investing in strategic sectors of the future

e& capital is the USD 250 million corporate venture capital arm of e&, with a strategic mandate to invest in companies that are shaping the future of the key pillars and verticals most relevant to e& Group, including but not limited to:

01 Connectivity
02 SaaS
03 Artificial Intelligence (AI)
04 Fintech
05 Health-tech
06 Ed-tech
07 SMB enablement
08 Cybersecurity
09 Ad-tech

e& capital invests in start-ups that dare to disrupt and challenge the way things are because they believe in something better. It collaborates with bold entrepreneurs to turn their big ideas into the leading businesses of tomorrow.

e& capital targets two types of companies: local champions in key geographies and global innovators. There is no limitation in terms of geographies as e& capital invests in visionary ideas.

Ten investments since launch in 2022

Since the launch of the fund a year ago, e& capital has invested in 10 companies with close to USD 100 million deployed, in its continuous pursuit of investments in high-growth, innovative companies. According to CBinsights, it has been one of the most active CVC investors in Asia in 2023.

The fund has demonstrated strategic foresight by driving innovation and investments in promising start-ups enabling cutting-edge technologies. In 2023, e& capital's investments included:

Maxbyte

e& capital was a lead investor in the USD 5 million Series A financing round of Maxbyte, an innovator in the field of integrated digital and robotics solutions. The funds will be used to strengthen the Company's market expansion and product development, empowering it to pioneer innovative solutions that enable manufacturers in the digital age.

Headquartered in the UAE, Maxbyte is a leading provider of Industry 4.0 solutions with a strong presence in the automotive, defence, utilities and food and beverage sectors. It aims to enable smart connected industrial enterprise for flexibility, productivity, predictable revenue and profit growth, as well as sustainability.

Ikigai Labs

e& capital invested in the USD 25 million Series A funding round for Ikigai Labs, a start-up committed to bringing generative AI to tabular data to all enterprises across the MENA region. The funding will advance Ikigai Lab's vision of transforming enterprises' utilisation of AI, enabling organisations to master AI through the Ikigai Academy and the easy, fast and powerful Ikigai platform.

Ikigai Labs offers a no-code AI solution, helping organisations address the challenges of harnessing large datasets and ensuring accurate forecasting. The Company's innovative approach combines state-of-the-art time series forecasting with three core tools: aiMatch for data reconciliation, aiCast for prediction and aiPlan for scenario planning.

e& capital in 2024

Looking forward, we will continue to execute our strategy and aim to expand our portfolio thematically, with a focus on synergetic and strategic themes such artificial intelligence, health-tech, Fintech, connectivity, enterprise SaaS, cybersecurity, ad-tech and entertainment-tech.

e& capital will continue its focus on assessing visionary technology businesses and innovative start-ups that are moving the world forward and bring value to the Group over the long-term.

Awards and recognitions in 2023

"2023 Asia Top10 CVC Funds"
from CB Insights

airalo
maxbyte. inspiring industry x.0
almentor
e& capital
LabLabee
KOMI
ikigai
TRAYDSTREAM

04 Sustainability

This report contains forward-looking statements regarding e&'s plans and strategy. These statements may be introduced by words such as "will," "intends", "plans," "aims," "continues," "believes," and similar phrases. e& has made every effort to ensure the report is as accurate and truthful as possible. Such statements included, but are not limited to, plans regarding e&'s sustainability ambitions, environmental footprint, efforts to combat climate change, DEI and Emiratisation goals, health and safety commitments, and ambitions related to operating responsibly.

By their nature, such plans and expectations are subject to risks outside of e&'s control, including risks related to macroeconomic, political and regulatory developments in the countries in which e& operates. Actual results may differ materially from e&'s expectations, and the forward-looking statements in this report do not represent a guarantee that such plans or expectations will be realised. e& undertakes no responsibility to update such forward-looking statements other than as may be required by applicable law and regulation.

In addition to factors set forth elsewhere in this report, those set out above are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

The term 'material' is used within this document to describe issues for voluntary sustainability reporting that we consider to be of high or medium importance in terms of stakeholder interest and potential business impact. Material for the purposes of this document should not, therefore, be read as equating to any use of the word in other e& reporting or filings.

No part of this Sustainability Report constitutes, or shall be taken to constitute, an invitation or inducement to invest in e& or any other entity and must not be relied upon in any way in connection with any investment decisions.

Introductory remarks

Our continued commitment to diversity, equity and inclusion was reinforced as we were a signatory to the United Nations Women Empowerment Principles, a new partnership with ImInclusive focused on people with disabilities and recognised through the multiple awards e& won across the region in support of our work.

Hatem Dowidar
Chairman of the Sustainability Steering Committee

I am delighted to introduce this Sustainability section of the Integrated Report.

Sustainability has been part of everything we do at e& for many years, a central pillar of our corporate strategy and with much to celebrate. As e& expands its footprint, we recognise that expectations are rising from customers, colleagues, investors, regulators and governments in the countries in which we operate. We must keep raising the bar and this was our aim in 2023.

With this in mind, it has been a hugely important year and central to it was our opportunity as the Principal Technology Partner for COP 28. Not only did we play our part in hosting the hugely successful event here in the UAE, but we also made some bold commitments. e& built on its net zero (Scope 1 and 2) commitment by 2030 for its UAE operations and for the entire Group by 2040. We also committed to a 25% reduction in Scope 3 emissions by 2030.

This and our other environmental commitments during 2023 have been recognised with an enhanced B rating by the Carbon Disclosure Project, and the external validation of our targets by the Science-Based Target initiative. There is much to be proud of, but with 2023 being the hottest year on record, much also to do.

The transforming power of connectivity has always been central to our mission as a company and to the delivery of the United Nations Sustainable Development Goals. To close the digital divide, we launched a new partnership with the EDISON Alliance, an initiative to connect one billion people digitally by 2025 and a partnership with Code.Org to support their work in enabling every student in every school to have the opportunity to learn computer science.

Our continued commitment to diversity, equity and inclusion was reinforced as we were a signatory to the United Nations Women Empowerment Principles, a new partnership with ImInclusive focused on people with disabilities and recognised through the multiple awards e& won across the region in support of our work.

For e&, sustainability is key to driving long-term value. This year we spent time building the governance, policies, systems and controls for the long-term. We created a Sustainability Committee chaired by myself, a new Sustainability function and appointed a hugely experienced practitioner in ESG, sustainability and philanthropy to build the new team and refresh the strategy and focus.

As you will see from the enclosed report, it has been a key year for us. We hope you enjoy reading our report and we are looking forward to building on these foundations in 2024.

Net zero

in our own operations across the Group by 2040

4.2

Our Approach to Sustainability

Rated
A
in MSCI 2023 rating

Rated
B
in CDP in 2023

Integrated Overview of our Performance

~58,000

employees
ACROSS OUR GLOBAL OPERATIONS

>170

million
SUBSCRIBERS GLOBALLY

99.8%*

completion
OF OUR CODE OF CONDUCT E-LEARNING

*FTE UAE Operations

Net zero

by 2040
WITHIN OUR OWN OPERATIONS GLOBALLY

25.8%*

WOMEN IN OUR WORKFORCE

*FTE, UAE operations

29.16*

AED million
CONTRIBUTION TO OUR COMMUNITY WORK

*UAE operations

53.8

AED
BILLION REVENUE

We are pleased to share our second e& Integrated Report and overall fifth annual sustainability disclosure. Following our last report published in March 2023, we have tried to further integrate the contents of our Annual, Sustainability and Governance Reports.

This report covers the financial year (FY) 2023 starting 1 January and ending on 31 December and is characterised by our materiality assessment which was refreshed in early 2023. We have chosen to reorganise the content of this sustainability section around the three ESG pillars of our sustainability activity, each of which addresses our pertinent material challenges. Our intention is to make it easier to use through better structured information.

Our FY 2023 data covers mainly e&'s UAE operations, although, as we transform from a regional telecommunications company to a global technology group, we have started to present certain data points consolidated at Group level. This is the case for our climate change data. We have also included case studies from our operating companies with the aim to give a more holistic picture of the e& Group. Throughout 2024, we will evolve our reporting to reflect Group data in forthcoming reports, and plan to have our 2024 Report externally verified.

This report references GRI standards, while also covering the Abu Dhabi Stock Exchange (ADX) voluntary ESG disclosures, SASB and WEF Measuring Stakeholder Capitalism metrics. The content index for these frameworks can be found on the e& website. As a signatory to the UN Global Compact, we have also mapped this report according to the UNGC disclosure requirements and disclosed how we contribute to the Sustainable Development Goals (SDGs).

The development of this report was led by the e& Sustainability Director, with the input of many colleagues. It was reviewed and approved by the Sustainability Steering Committee, which comprises of senior executives of the Company, the Nominations and Remunerations Committee (NRC) and the Board of Directors.

We welcome your questions and comments on this report at sustainability@eand.com and wish you an informative read.

Our Context

Monitoring the context in which we operate is key to adapting our sustainability practices and ensuring we are on the right track to address our sustainability impacts over the short, medium and long-term.

As a global telecommunication and technology group headquartered in the UAE, certain 2023 circumstances were of particular importance in shaping our role in sustainable development.

Environmental challenges and COP impact:

The tech industry faces growing scrutiny amid environmental challenges, with the recent COP agreements amplifying expectations for sustainable practices. Recognising that 2023 was the warmest year ever recorded intensifies concerns about climate change. As global temperatures rise, tech companies are under pressure to align with COP commitments and contribute to environmental solutions.

e& is proactively addressing climate concerns within the telecommunications sector. We are committed to aligning with COP commitments and have developed our carbon emission reduction targets in line with the Paris Agreement's expectations and the Science-Based Target initiative (SBTi). We achieved this by implementing eco-friendly measures, managing our carbon footprints and strategic partnerships as detailed throughout this report.

e& served as the Principal Technology Partner for COP 28 held in the UAE. We provided connectivity for the event and showcased some of our latest low carbon solutions, such as our first net zero 5G Massive MIMO site in the MENA region. The Company also actively collaborated with business partners across its value chain to develop solutions for a low-carbon economy.

Societal impact:

Challenges, including the escalating cost of living, poverty and inequality, shape our operational environment. Businesses are navigating the social responsibility landscape, addressing concerns about income inequality and the impact of their products and services on affordability. The rising cost of living is also prompting a revaluation of business models and pricing structures.

We seek to address issues of income inequality, particularly given that our geographic reach includes both high- and low-income economies. The onus is on us, as an employer, to pay fair wages while giving due consideration to ethical and social issues across our value chain.

Artificial intelligence (AI) integration:

AI is changing the way the telecommunications sector makes decisions and runs its operations. As businesses implement AI technology, ethical issues grow more important. It is imperative to strike a balance between innovation and responsible AI practises to ensure that technological breakthroughs conform to social norms and ethical standards.

e& is committed to the responsible implementation of AI technology, with a focus on prioritising social norms and ethical standards. We acknowledge the challenges of enhancing AI capabilities while simultaneously reducing environmental impacts and cost. This commitment underscores our dedication to the responsible use of AI, driving for technological advancements that contribute positively to society and the environment.

ESG evolving landscape:

The evolving ESG landscape includes increasing regulatory requirements that places an additional accountability on firms. As governments and stakeholders demand greater transparency and impact in these areas, companies are under increasing pressure to enhance the robustness of reporting procedures and their overall corporate sustainability work.

e& is proactively responding to shifting ESG requirements by prioritising both regulatory and voluntary ESG considerations and anticipating future regulatory requirements. In addition, we are in the process of enhancing our reporting mechanisms to provide more robust and relevant ESG data and information to our target audiences.

Creating Value

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 group.

Sustainability

To us, sustainability is about managing our environment, social and governance impacts across our value chain, mitigating risks and seizing opportunities, to create company and stakeholder value over the long-term everywhere we operate. Here below we have simplified our value creation model, including mapping our sustainability impact across our value chain.

Inputs

~58,000
employees worldwide

>74*
nationalities

25.8%*
women in our workforce

13.7*
AED billion supply chain spend

AA-, Aa3
S&P, Moody's credit rating

Procurement

Sustainability supply chain

Operations

Network

• Talent attraction, development and retention • Local talent

Retail and sales

Responsible commercialisation

Water usage

• Digital innovation • Community involvement • Network availability • Digital access and inclusion

• Ethical business practices • Data privacy • Human rights • Climate change • Economic performance • Diversity, equity and inclusion • Waste management and circularity • Health and safety • Cybersecurity

Value created

>170
million subscribers across our geographical footprint, many of which are in low and lower-middle income economies

53.8
AED billion revenues

"A"
MSCI rating

"B"
CDP rating

*UAE operations

Sustainability Governance

Within our Board of Directors, the Nominations and Remunerations Committee (NRC) is responsible for Environmental, Social and Governance (ESG) matters. The NRC also oversees the sustainability strategy and the progress made toward achieving sustainability targets, as well as the plans for environmental and climate action. Finally, the NRC advises the Board on programmes related to ESG matters. It further oversees e&'s material business risks in relation to ESG as well as risk management strategies and risk controls.

A Sustainability Steering Committee was established at management level to provide strategic direction on sustainability across the Group, and to drive the implementation of the sustainability programme. This Committee is chaired by our Group CEO and is composed of members of e&'s executive management. e&'s Senior Vice President of Sustainability reports directly to the Committee on all ESG and sustainability matters. Cross functional sub-committees that focus on environmental, social and governance issues were established to assist the Committee in its work. The Environment sub-committee is chaired by e& International Chief Technology Officer, while the Social and Governance sub-committee is chaired by the Group Chief Legal and Compliance Officer. The sub-committees are composed of Directors and Senior Directors who have sustainability integrated into their daily scope of work across the Group.

A committed group of sustainability experts with experience in all ESG pillars, advises and provides particular insight as needed to help integrate sustainability into the business on a daily basis.

In 2023 we worked on our incentive programme to add ESG factors to both our Company's scorecard and the individual scorecards of four Executive team members, so that they are rewarded for how well e& performed in one ESG rating.

Corporate Functions

Group Legal and Compliance	Group Finance	Group Strategy
Group Operations	Group Human Resources	Branding and Communications
Admin and Contracts	Group Risk and Internal Audit	Technology

Companies

e& UAE	e& enterprise	e& capital
e& international	e& life	

Environmental Sub-Committee

Social and Governance Sub-Committee

Board of Directors

Nominations and Remunerations Committee of the Board of Directors

Sustainability Steering Committee (Chairperson: GCEO)

Sustainability function within the Strategy department, led by SVP Sustainability

Our Strategy: Strengthening the base while aiming for new heights globally

At e& we believe technology and connectivity are enablers of a future that can positively impact the planet, the people and our Company.

Our vision is to be a leading global technology group. Sustainability is at the core of our strategy, supporting our vision and transformation. Sustainability cannot occur without transformation - while transformation without a sustainability component cannot be viable over the longer term.

This framework aligns to the UAE and Abu Dhabi Government's initiatives and declarations such as UAE Vision 2030, UAE Principles for the Next 50, UAE Net Zero Plan 2050 and the Abu Dhabi Economic Vision 2030.

In 2023, we united our diverse sustainability projects and fortified the foundation of our work on sustainability. In addition to concentrating on 19 prioritised workstreams, we have improved our sustainability governance, established a specialised Sustainability department and appointed sustainability champions throughout the organisation.

To further support e&'s Group transformation and add value to society and our stakeholders, we intend updating our materiality assessment and developing a new sustainability strategy in the upcoming year. This will include developing targets across our most material topics.

Over time our sustainability framework was centred on five major 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

While we develop our new Strategy, we have structured our sustainability work and this report around the following pillars:

Managing our **environmental footprint**

Empowering people and giving back to society

Operating responsibly

"e& recognises the importance of disclosing the most accurate non-financial data. This is necessary for us to track our performance against our environmental and social targets while at the same time providing the investor community and the ESG ratings with a clear and transparent view of our ESG/Sustainability performance. We strive to implement global standards for reporting non-financial data and aim to contribute to these efforts as we progress on our sustainability journey.

Karim Bennis
Chief Financial Officer

Materiality

e& regularly assesses its material topics to identify and remain up to date with all the sustainability related matters, risks and opportunities that might have a direct or indirect impact on the Company, the communities in which we operate and sustainable development as a whole.

We utilise a four-pronged approach to identify key material issues:

- Understanding the context in which we operate from a sustainability perspective
- Identifying a list of potential material matters through desktop research, current sustainability activities, review of peer companies, industry trends and standards, rating agencies and employee interviews
- Assessing the impact of material issues by considering e&'s strategy, our broader mission, stakeholders' interests or concerns, social expectations, supply chain and climate change risks and opportunities
- Reviewing and validating the results of our materiality assessment with e& management and the Sustainability team

Our material topics were examined and revised in late 2022 in light of peer and sector assessments. These were further revisited in light of the latest GRI Standards and an overview of industry material topics and expectations from investors. The revision of material topics was also a result of the maturing of our sustainability programme in 2023. Our list of material topics is detailed below:

Managing Our Environmental Footprint	Empowering People and Giving Back to Society	Operating Responsibly
Climate change	Diversity, equity and inclusion	Ethical business practices
Waste management and circularity	Talent attraction, retention and development	Data privacy
Water usage	Local talent	Cybersecurity
	Digital access and inclusion	Sustainable supply chain
	Health and safety	Human rights
	Community involvement	Responsible commercialisation
		Digital innovation
		Network availability
		Economic performance

These topics are addressed under the three pillars of this report:

- Managing our environmental footprint
- Empowering people and giving back to society
- Operating responsibly

The topic of "Economic Performance" is addressed in our Annual Report.

Our materiality study includes sustainability risks and opportunities, which are typically incorporated into our enterprise risk management initiatives. We address these in our Annual Report.

Engaging with our Stakeholders

At e&, we define our stakeholders as people or groups of people who can impact or who can be impacted by our business activities or relationships. We seek to understand and respond to the views and concerns of our diverse stakeholders, who influence our business practices and corporate priorities. We regularly engage with our key stakeholder groups, represented in the following diagram, to help shape and drive our sustainability strategy. To this end we use various communication channels such as focus groups, formal gatherings, training, partnerships, contractual relationships and regular communications. We meet regularly with investors and analysts and have regular interactions with government, regulators and our suppliers. Partnerships with NGOs and local communities play a pivotal role in our community work. Our customers can interact directly with our customer assistance through "My Etisalat" mobile applications. Our employees can raise their concerns through various channels, including our speak-up line, reaching out to our HR or ethics and compliance functions or through the various surveys they are invited to complete year-round. Throughout this report we have illustrated under each material topic the prime stakeholders connected with our activities.

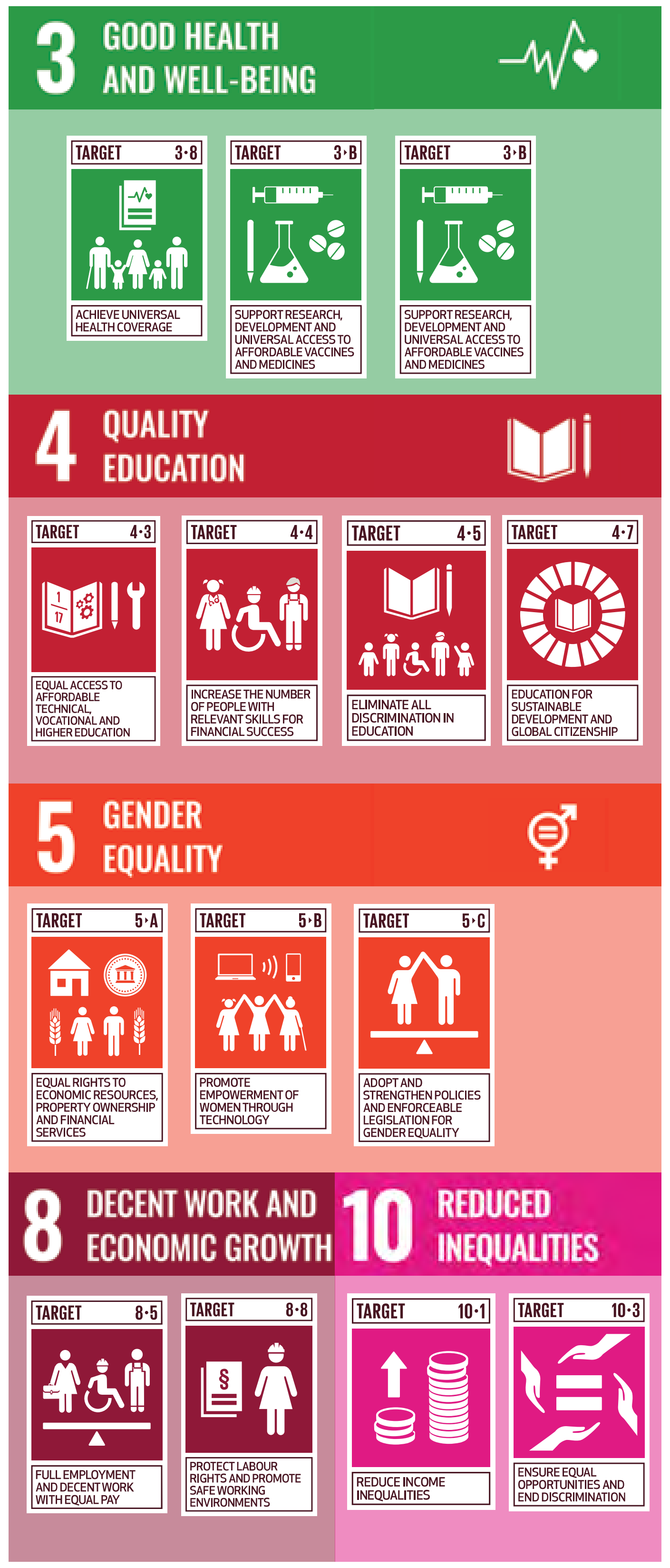
Contributing to the SDGs

We aim to play our part in contributing to the Sustainable Development Goals (SDGs). Back in 2022, we outlined, at the subtarget level how e& contributes to the SDGs. Together with our efforts to update our sustainability strategy, we will reassess our contribution to the SDGs to streamline and maximise our impact.

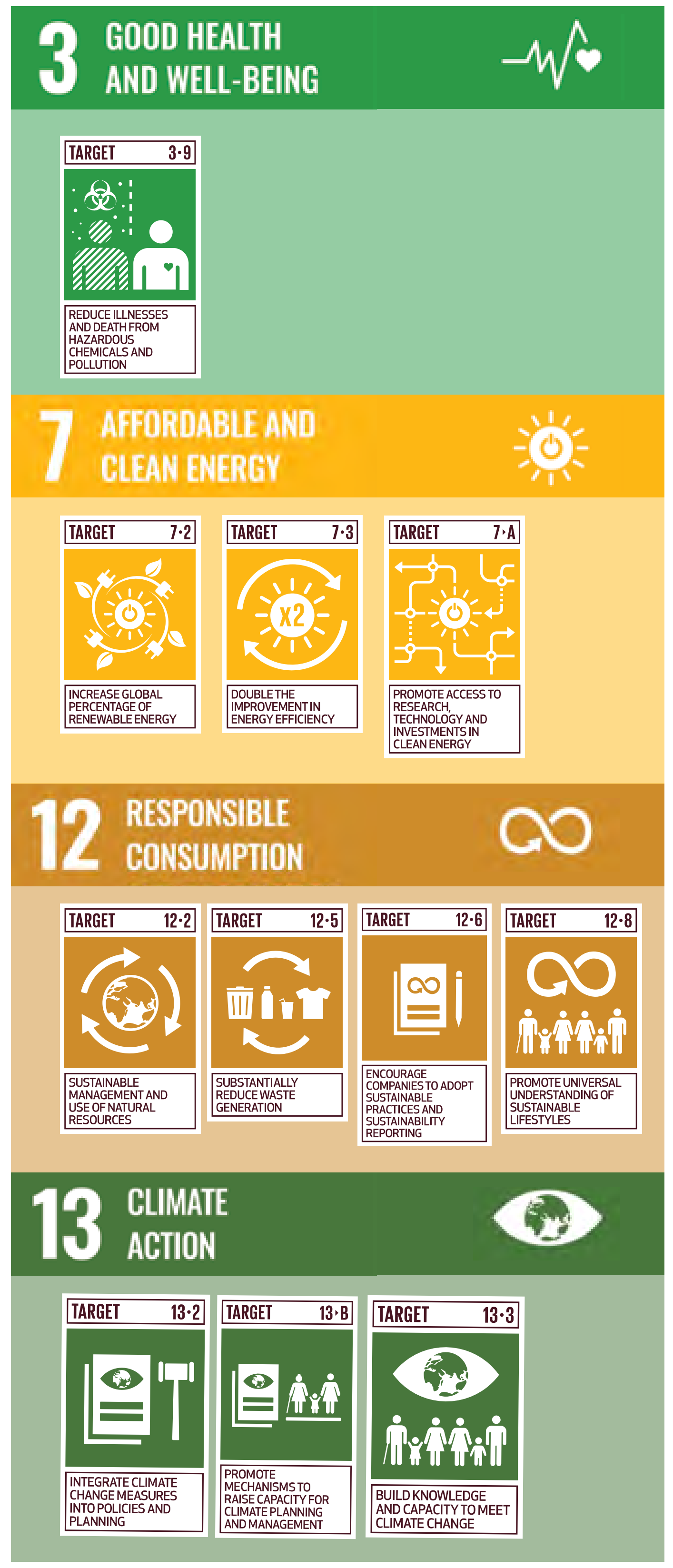
Digital Transformation and Innovation

Accountable Business Practice

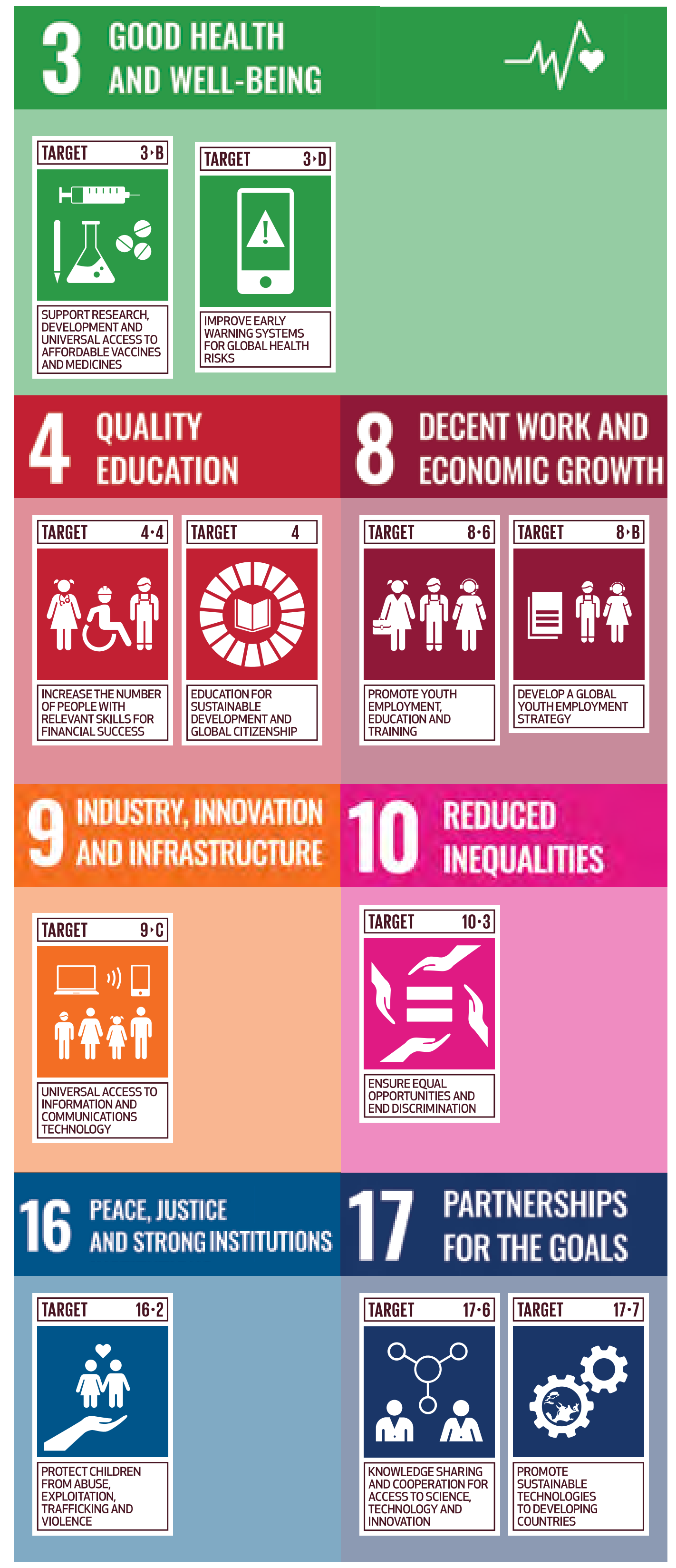
Empowering People



Environmental Management



Connecting Communities



Memberships

e& joined the World Economic Forum as Partner

e& became the first UAE private sector entity to join the UAE Independent Climate Change Accelerators (UICCA)

CEB Global Limited

European Telecommunication Standards Institute

FTTH Middle East ard North Africa FZ LLC

First.Org, Inc.

Foundation for the Global Compact

Gartner Gulf FZ-LLC

Global System for Mobile Communications Association (GSMA)

Infomaton Systems Audit and Control Association

Institute of Risk Management

The Institute of Internal Auditors

International Telecommunications Union

Pacific Telecommunications Council

SAMENA Telecommunications Council

The UAE Chief Sustainability Officers Network

4.3

Managing our Environmental Footprint

8620 tCO_2e

reduction in Scopes 1 and 2 GHG emissions

25%

reduction in our Scope 3 emissions by 2030 Group-wide (2022 baseline)

e& realises fully that environmental and societal wellbeing must not be sacrificed for the sake of our Company's prosperity. It is not just a promise, but also a legacy we hope to leave for future generations as we transition to operating more sustainably. We work actively to minimise waste throughout our value chain, adopt water-wise practises in our operations and invest in energy and climate smart networks and solutions. We understand that building a more inclusive and sustainable future requires deliberate action. Adaptability, resilience and flexibility are essential components of our approach, to guarantee that we successfully handle the opportunities and difficulties posed by ESG variables.

Achieving net zero greenhouse gas emissions for Scopes 1 and 2 by 2040 and for Scope 3 by 2050 is e&'s objective. We are moving in the right direction with projects like the installation of energy-efficient base stations, the modernisation of macro sites with cutting-edge features and the improvement of our network and data centres' energy efficiency. Strategic initiatives such as on-site renewable deployment, long-term power purchase agreements and raising the percentage of renewable energy in our operations are further examples of our commitment to renewable energy. These initiatives demonstrate our commitment to building an environmentally conscious and sustainable future.

Focus on: Climate Change

e& recognises the urgency of addressing climate change and is dedicated to reducing our environmental impact as we transform into a technology group. 2023 was a year of enhancement for our climate change programme: we conducted our carbon footprint assessment across our entire Group and value chain, developed new emissions reduction targets validated by SBTi, achieved a B rating in the Carbon Disclosure Project (CDP), served as the Principal Technology Partner at COP28 and unveiled a green loan of AED 366 million. While we are proud of our achievements, we are aware of the journey that lies ahead of us. We are strengthening our initiatives to improve our energy efficiency, increase the use of renewable energy and reduce our reliance on fossil fuels. At e&, we want to believe that climate change is also an opportunity for our Company and our sector to contribute more broadly to global decarbonisation efforts through key technological advancements.

Sabri Ali Yehya
CTO, e& international

Definition of material matter:

Our carbon footprint is the entire amount of greenhouse gas emissions (GHG) resulting from our activities, both directly and indirectly, expressed in carbon dioxide equivalents. It includes emissions from a range of sources, such as energy use, use of sold products or transportation.

Why it is material to e&:

e& operates in regions affected by extreme weather conditions, exacerbated by climate change. Mitigation and adaptation strategies are essential to preserve water, biodiversity and food security as well as to preserve our business continuity, threatened by extreme weather conditions. With growing consumer demand for green products and services, we believe reducing our carbon footprint is a business necessity.

Type of impact:

Implementing carbon reduction strategies aligns with global sustainability goals, positively impacting the environment and society. Investing in sustainable practices presents opportunities for innovation, cost savings and enhanced brand reputation. Failure to manage and reduce our carbon footprint poses a risk to our environmental credibility, regulatory compliance, and stakeholder relationships and business continuity.

Value chain impact:

Upstream | Operations | Downstream

Key stakeholders:

Local communities | Governments | Customers | Employees | Business Partners | Regulators

Targets:

- Achieve net zero emissions (Scope 1 and 2) across all our markets by 2040 (UAE 2030)
- Achieve net zero emissions (Scope 1, 2 and 3) across all our markets by 2050
- 43% reduction in Scope 1 and 2 across all our markets by 2030 versus the 2022 baseline – SBTi validated
- 25% reduction in Scope 3 across all our markets by 2030 versus the 2022 baseline – SBTi validated

Our management approach

Our efforts in combating climate change start with understanding our carbon footprint by applying commonly used guidelines and standards. e&'s emissions accounting methodology is based on the greenhouse gas protocol and uses emission factors from DEFRA, the US EPA and the IEA. It considers direct and indirect emissions across our entire value chain and our operating companies. This holistic perspective ensures that we not only measure and mitigate emissions from our immediate activities, but also address the broader impact throughout our business ecosystem. e&'s governance structure alignment with international standards, allows us to set ambitious targets and strive continuously for a net zero emissions future across all our operations. The Group's commitment extends beyond regulatory requirements, reflecting our dedication to environmental stewardship.

Addressing climate change requires a cross-functional approach across the Group. The e& international Technology team leads our carbon reduction efforts throughout the Group, supported by the Sustainability team. Our climate-related risks and opportunities are jointly managed by the Enterprise Risk Management (ERM) team and the Sustainability function, with a view for further integration in 2024.

Our Corporate Finance team, supported by a cross-function group composed of our Legal, Sustainability, Procurement and e& international Technology teams, leads e&'s work on green finance.

Any climate change commitment made by the Group follows a specific approval process, including the CXO of the department in charge, the Sustainability Steering Committee and the GCEO. The NRC of the Board of Directors oversees our climate strategy, as per its area of responsibility.

e&'s progress in 2023

2023 marked a step-change in our climate change programme. Besides serving as the Principal Technology Partner for COP28, we conducted our first carbon footprint exercise across the Group, enabling us in turn to develop our groupwide reductions targets, validated by SBTi, in line with a 1.5 degrees scenario.

This exercise, undertaken with an external consultancy, was an on-the-ground confirmation of our initial findings regarding our hotspots and carbon reduction strategies.

Emissions from our own operations and supply chain each contribute to approximately 50% of overall emissions. Different patterns emerge within our operating firms as a result of the diversity of network types, locations and grid supplies. At Group level, within our own operations (Scope 1 and 2), purchased electricity (Scope 2) contributes to roughly 80% of our emissions groupwide, while emissions from fossil combustion and refrigerants amount to approximately 20% of our emissions (Scope 1).

Our three-pronged strategy is centred around these concerns. It focuses primarily on our network and our data centres in a second stage, and is aimed at reducing our greenhouse gas emissions while our network and business expands

1. Reducing reliance on fossil fuels (Scope 1) and harmful GWP gases used as refrigerants
2. Improving our energy efficiency
3. Increasing our usage of renewable energy

Focus on: Climate Change (continued)

Our first pillar is twofold. Firstly, reducing the number of base stations that are off-grid and mostly diesel dependent by either connecting them to the grid or opting for hybrid solutions utilising more efficient batteries and renewable energy such as solar. Secondly, we aim to reduce the use of high GWP refrigerants used across data centres for cooling. This means recovering and recycling refrigerant gases from decommissioned AC units or during AC repair and maintenance. We are also investigating more innovative cooling solutions that use non-harmful cooling liquids.

Our second pillar involves modernising our network with more efficient equipment, specifically batteries. This implies close collaboration with our vendors. For instance, certain batteries we purchase have the potential to significantly reduce our energy consumption at certain base networks by including an intelligent AI-generated algorithm assessing energy consumption. We have also developed a proof-of-concept in which replacing a 2G, 3G or 4G site with modernised equipment reduced its energy consumption significantly. As we progress from a technology perspective, 5G sites are 90% more efficient per unit of data compared to 4G sites. These are however more energy intensive overall, requiring improvements to our energy efficiency programme.

Our third pillar centres on renewable energy. In this regard, we are working mainly on solar solutions for our network base stations, either fully solar or hybrid solutions involving more efficient batteries. COP28 was an opportunity to present the deployment of the first net zero 5G Massive MIMO site in the MENA region and the integration of a zero-footprint RAN site within our network. Part of our focus on renewable energy also includes focusing on green electricity. e& operates in regions where renewable electricity is still scarce. We actively engage with electricity providers to seek opportunities to green our grid. Just recently, e& worked with other large companies and the Dubai Electricity and Water Authority (DEWA) to purchase International Renewable Energy Certificates (I-RECs). In Egypt, we signed a 25-year PPA agreement with the local electricity provider to cover 100% of our on grid consumption.

These efforts all form part of our climate transition plan, initiated in 2023 and currently under development.

Looking beyond our operations, we plan to address our Scope 3 emissions by focusing on our purchased goods and services through Project Life, a green procurement initiative launched in 2023 by our Procurement team. We are also considering a take-back programme that would allow our customers to recycle, reuse or refurbish the products bought in our store, thereby reducing waste and ultimately our carbon footprint.

Our active role in COP28 was another highlight in 2023. As the Principal Technology Partner, we provided connectivity for the event with a zero CO_2 footprint. We also hosted and participated as speakers in various sessions focusing on AI, technology, innovation, 6G and Charge&Go. The business contributed to critical conversations on climate action, leveraging its digital infrastructure to facilitate discussions on reducing emissions and achieving sustainability goals. COP28 provided a platform to showcase our commitment to addressing climate change on a global scale.

During COP28, we unveiled our Innovation Hub for Power Solutions in collaboration with regional and international partners. This initiative aims to spearhead the decarbonisation of the telecommunications industry, bringing together the various actors in the telecommunication value chain and developing solutions to address climate change challenges.

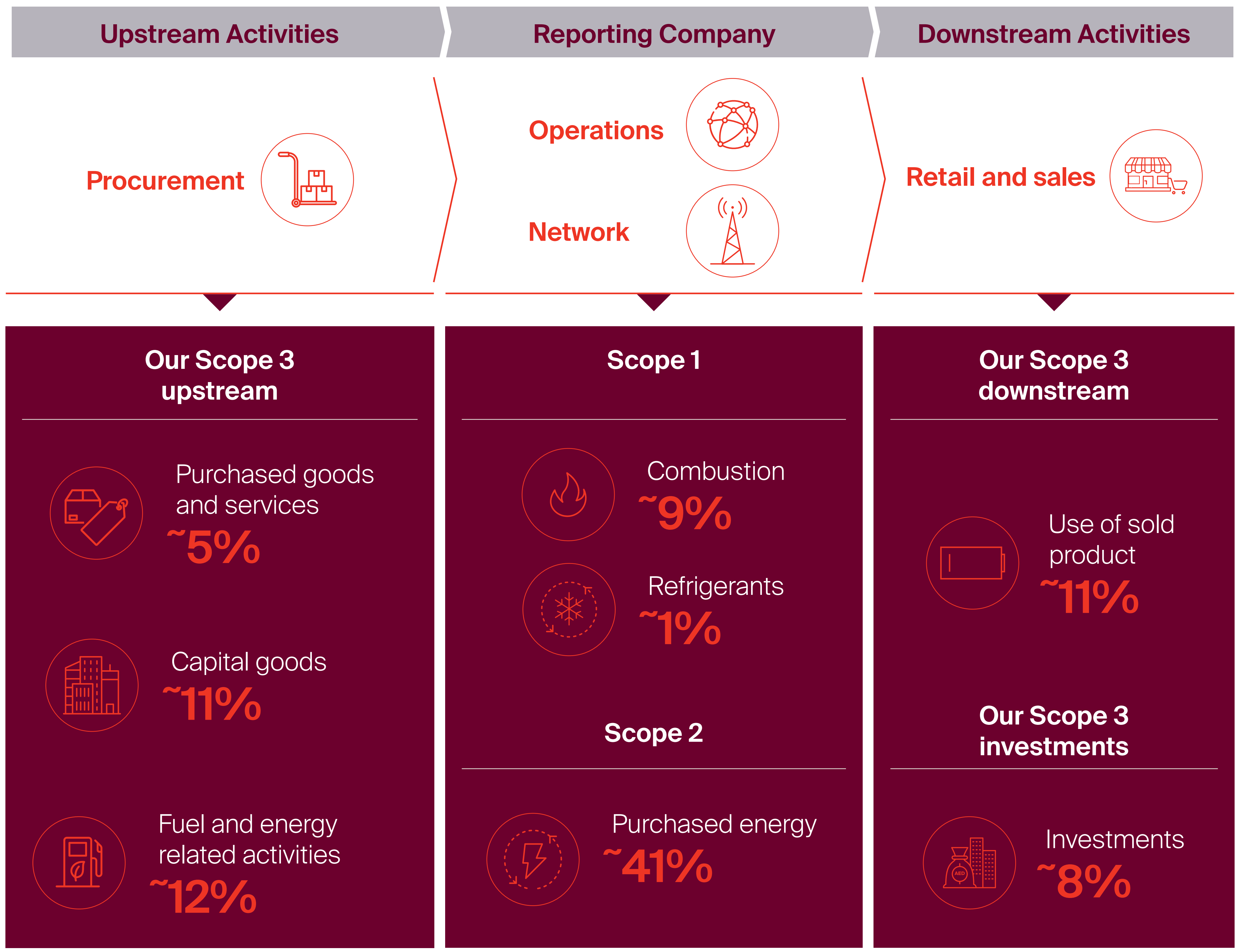
e& also launched the Charge&Go electric vehicle charging network, contributing to sustainable mobility. This initiative aligns with our efforts to support eco-friendly actions and address climate change challenges. In addition, we committed to the Green Digital Action Initiative, led by the International Telecommunication Union (ITU). These various initiatives underscore our dedication to sustainability, environmental responsibility and driving positive change on a global scale.

In summary, e&'s active involvement at COP28 reflects its commitment to sustainable practices, innovation and addressing global challenges related to climate change and environmental sustainability. While climate change challenges evolve rapidly, we believe we have set a solid base for our climate protection programme.

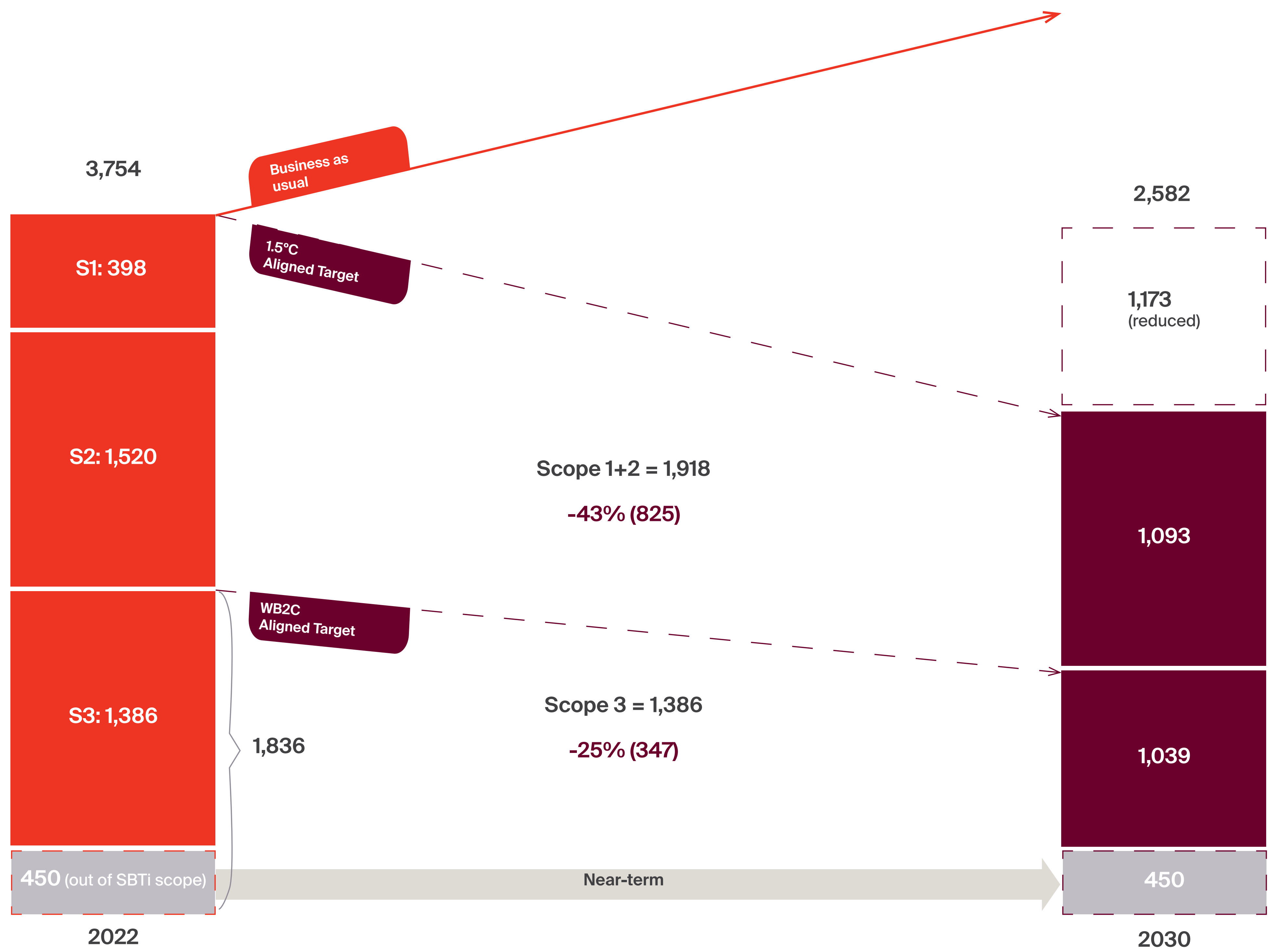
Looking ahead to 2024

With an eye on the future, e& is unwavering in our resolve to control and lower carbon emissions. We will keep enhancing energy efficiency, utilising renewable energy sources and putting cutting-edge technology into practise as part of our Sustainability Plan. We will further integrate climate risk work into our ERM and plan to report according to TCFD in the near future.

Our global carbon footprint based on our 2022 baseline



Our Group's 2030 CO_2 reduction targets (in '000 tCO_2e) – validated by SBTi



Focus on: Climate Change (continued)

Our performance*	2022	2023
Scope 1 GHG emissions (tCO_2e)	398,378	390,610
Scope 2 GHG emissions (tCO_2e) - market based	1,519,824	1,518,972
Scope 3 GHG emissions (tCO_2e)	1,836,100	**
Total GHG emissions (tCO_2e)	3,754,302	**
Scope 1 + Scope 2 GHG emissions (tCO_2e)	1,918,202	1,909,582
Reduction of GHG emissions scopes 1 and 2 (tCO_2e)	n/a	8,620
Total energy consumption within the organisation (MWh)	3,869,467	4,072,911
Total renwable energy consumption (MWh)	85,276	123,623
Total non-renewable energy consumption (MWh)	3,784,191	3,949,288
Total fuel consumption within the organisation from non-renewable sources (MWh)	1,129,903	1,299,652
Total electricity consumption (MWh)	2,738,534	2,773,259
Renewable electricity consumption (MWh)	85,276	123,623
Total energy consumed: percentage grid electricity (%)	69	65
Total energy consumed: percentage renewable (%)	2	3

* This set of data covers our global operations including operating companies
** Data unavailable at time of publication

Transforming the telecommunication landscape: e& unveils GCC Innovation Hub for Power Solutions at COP28

In 2023, e& initiated a ground-breaking project by unveiling the GCC Innovation Hub for Power Solutions (the Innovation Hub), a strategic collaboration with the GCC Sustainability Alliance. This forward-looking initiative underscores our commitment to sustainability and positions the Company as a leader in fostering innovation within the telecommunication industry.

Developed in partnership with key regional and international entities, this Innovation Hub focuses on advancing the decarbonisation of the telecommunication sector, aiming to significantly reduce its carbon footprint. The Innovation Hub serves as a collaborative platform, facilitating the sharing of expertise and green solutions, aligning with e&'s overarching strategy of embracing sustainable energy sources and striving for net zero emissions.

Notably, the initiative has garnered attention from 39 telecommunication operators across 30 countries, demonstrating the industry's commitment to sustainable practices. The primary objective of the Innovation Hub is to foster collaboration in creating cutting-edge renewable energy solutions, acting as an incubator for proof-of-concept projects that contribute to the reduction of greenhouse gas emissions.

This initiative exemplifies e&'s dedication to promoting innovation, reinforcing the industry's sustainability commitment and actively contributing to global environmental objectives.

Pioneering renewable energy implementation through partnerships at e& Egypt

e& Egypt has taken innovative steps towards sustainability by integrating renewable energy sources into its operations. This strategic move not only demonstrates a commitment to environmental conservation but also addresses the urgency to reduce our carbon footprint. Through various contracts and agreements, e& Egypt is actively shaping a greener future.

e& Egypt commitment is evident by the one-year contract with the New and Renewable Energy Authority and the Ministry of Communication and Information Technology where 100% of e& Egypt sites, with power meters, will be provided with renewable energy from solar and wind plants. Ongoing efforts to renew this contract highlights its dedication to the renewable energy initiative.

An agreement with Amarenco Solaris Egypt Energy further strengthens e& Egypt sustainability endeavours. This agreement outlines the establishment of a 13MWp solar power plant in the Canal region, covering 75% of the Company's electricity consumption. The project, supported by a 21.5% discount from a government tariff, showcases the economic viability of renewable energy adoption.

e& Egypt also aims to establish a solar power plan in collaboration with NAvComm.

In addition, e& Egypt green energy solutions aim to minimise the carbon footprint of its network sites. Three solutions have been implemented at its sites:

- Solar power provides 100% clean energy at 210 sites, saving 100% of the diesel generator costs
- A hybrid diesel generator and solar approach produces 50% less CO_2 emissions at 55 sites, saving half of the usual diesel generator costs
- A hybrid diesel generator and battery approach, emits 65% to 70% less CO_2 at 215 of our sites and saves half of the operating costs for diesel generators

e& Egypt proactive pursuit of renewable energy integration showcases a dedication to sustainability and environmental responsibility. Through collaborations, agreements and innovative solutions, the Company is not only reducing its environmental impact but is also achieving economic benefits.

Sustainability as a service: Helping our customers decarbonise

While striving to reduce our carbon footprint, we also recognise we have our part to play in helping others, especially our customers, decarbonise through the technology solutions and services we can offer. e& positions itself strategically in the dynamic tech industry, recognising and seizing opportunities in the evolving technological landscape.

In 2023, e& enterprise launched Sustainability as a service, consolidating a range of solutions into a tailored offering for customers embarking on their sustainability journey. This innovative model seamlessly integrates sustainability into business operations, providing a structured and adaptable approach for organisations to achieve both short-term and long-term sustainability goals. The suite of services consolidated under a single portfolio includes various services and solutions facilitated through cloud based platforms. From street light sensors to smart parking, waste bin sensors or smart metering and energy management, we have enabled our clients to remove CO_2 in 2023. We are currently expanding our offering beyond the UAE borders into the MENA region and enhancing the offering into a full suite of overall ESG solutions, such as reporting, strategy development and impact measurement.

Waste Management and Circularity

Definition of material matter:

The way in which e& manages its waste streams: securely disposing of hazardous waste, correctly managing e-waste, overall reducing waste and increasing recycling while striving towards more circularity: reusing, recycling and refurbishing customer products.

Why it is material to e&:

Within our industry, operational waste and e-waste have a significant environmental impact, which we must minimise. Customer demand for more sustainable products and services is growing, and we must address the end-of-life impact of the products we sell.

Type of impact:

By addressing the challenges posed by e-waste and the proper disposal of the products we sell collaboratively across our value chain, we will reduce our negative environmental impact and improve e&'s reputation.

Value chain impact:

Upstream | Operations | Downstream

Key stakeholders:

Local Communities | Governments | Customers | Employees | Retailers/ Wholesalers | Suppliers

Policies:

e& Group Environment Policy

Green SIM Card Initiative

As the Principal Technology Partner of COP28 and in alignment with the UAE's "Year of Sustainability" in 2023, we intensified our green initiatives. e& launched the Green SIM Card initiative, providing SIM cards made from recycled consumer electronics. Over half a million green SIM cards were distributed to visitors and attendees at the COP28 event. The use of these new cards, manufactured from recycled consumer electronics, provides a more environmentally friendly option compared to traditional cards, aligning with our vision for a greener and more sustainable future.

Context

Over 53 million metric tonnes of e-waste were generated globally in 2019, and that amount is projected to increase by 50% in the next six years*. Our waste streams take many forms and our electronic waste includes batteries or ink cartridges. As a responsible business, it is e&'s duty to recycle, reuse and refurbish e-waste where possible or to dispose of it responsibly.

Waste regulations are evolving and requesting more circularity on behalf of private companies, while consumers are seeking greener product alternatives and responsible disposal or return options. E-waste recycling options are growing in the MENA region.

Our management approach

Waste management is governed by e& Group's Environmental Management Policy, supported by its Environmental Management System (EMS). The HSE function, which addresses waste issues on a day-to-day basis, is part of our wider e& Operations team reporting directly to the CEO and works across the Company to address waste issues.

Within e& UAE operations, we have certified 5 facilities to the ISO 14001 standard.

Our progress in 2023

e&'s EMS covers various aspects of waste management and promotes the reduction of waste generation. Our waste streams include hazardous waste such as oil or batteries, which we dispose of according to local legislation. We strive to recycle non-hazardous waste where possible. Out of a total of 1016.7 tonnes of non-hazardous waste, 27% were recycled in 2023.

Our operational e-waste, when decommissioned, is stored in warehouses and sent for recycling or disposal.

Our goal is to decrease the quantity of waste that ends up in landfills.

Looking at our downstream waste, we are proud to say that e& UAE operations is fully implementing e-billing, saving on paper.

In 2023, we conducted a carbon footprint exercise which highlighted the Scope 3 emissions that stem from the end-of-life treatment of the products we sell. By providing take-back options to customers, we can reduce our carbon footprint while reducing e-waste and our environmental impact overall. This will form part of our 2024 focus.

We recognise that the best way to reduce waste is not to have any waste to dispose of in the first place. To this end, we are working upstream in our value chain by setting up a project to assess how green the products are that we purchase. Project Life was initiated by our Procurement team at the end of 2023, and we look forward to sharing more information on how we assess products and work with suppliers in 2024.

Looking ahead to 2024

As we further advance our Company transformation, we aim to improve our waste management reporting in 2024 to provide a group picture across our operating companies. We will also be looking into electronic product take-back options for our customers to minimise waste and promote re-use, refurbishment and recycling options.

Our performance	2021	2022	2023
Total waste generated (tons)	326.58	834.46	1126.65
Hazardous waste generated (tons)	115	95	110
Non-hazardous waste generated (tons)	211.58	739.46	1016.65
Non-hazardous waste recycled (tons)	70.96	283.00	278.15
E-waste generated (tons)**	26.5	17.5	34
Number of facilities covered by ISO 14001 certification (high-rise buildings)	5	5	5

*Unitar, ITU: The Global E-waste Monitor 2020, Global e-Waste Monitor - ITU Hub
**Calcuated based on internal estimates

Water Usage

Definition of material matter:

The way in which e& manages its water use across its operations.

Why it is material to e&:

The telecommunications sector may not be a water intensive industry, but e& operates in water scarce regions. Water management and conservation is material to us and the communities in which we work.

Type of impact:

Lack of efficient water management processes could lead to water waste and increased water costs in water scarce regions.

Value chain impact:

Operations

Key stakeholders:

Local Communities

Governments

Employees

Policies:

e& Group Environmental Management Policy

Context

Water assessment and predictions for the MENA region clearly indicate that current water scarcity in the region will worsen over the next few years. According to the World Bank, "By the end of this decade, the amount of water available per capita annually will fall below the absolute water scarcity threshold of 500 cubic meters per person, per year."* As a telecommunications and technology group, although the Company's operations are not water intensive nor dependent on water as a resource, it is our duty to preserve it for the sake of the communities in which we operate.

Our management approach

Water management is governed by the Environmental Management Policy applicable to the e& Group, supported by its Environmental Management System (EMS). Our Health, Safety and Environment (HSE) function, which addresses water issues on a day-to-day basis, is part of our wider e& Operations team reporting directly to the CEO.

Within e& UAE operations, we have certified 5 facilities to the ISO 14001 standard.

Our progress in 2023

We are committed to reducing our water consumption in the facilities in which we operate. We use desalinated water sourced from municipal networks. Across our facilities, our work follows a three-pronged approach: limiting water use with the help of sensors or automating its distribution through automated faucets; recycling grey water where possible, such as for irrigation; and recovering water by, for instance, reusing water from chillers.

In 2023, we reduced our water usage by 3% compared to 2022. Although our grey water recycling was discontinued in certain areas this year due to the linking of our water systems to the municipal networks, our proactive efforts in water recovery enabled us to still reduce overall water consumption.

In addition to our ISO 140001 certification, one of our key facilities, the Al Kifaf building in Dubai, was awarded LEED Gold certification in recognition of our efforts in sustainable water management.

Looking ahead to 2024

In 2024, we will extend the scope of our facilities covered by the ISO 14001 certifications. As we transform into a global technology group, we plan to provide a more comprehensive picture of our water footprint, starting with conducting a water risk assessment across our operations.

Our performance	2021	2022	2023
Total water consumption (cubic metres)	309,377	320,560	311,044

*World Bank, The Economics of Water Scarcity in the Middle East and North Africa: Institutional Solutions, April 2023, The Economics of Water Scarcity in the Middle East and North Africa: Institutional Solutions (worldbank.org)

4.4

Empowering People and Giving Back To Society

+12%
women in management versus 2022

29.16
AED million
contribution to our community work

e& functions as part of an interconnected system. As such, a strong economy, a functional society and a healthy environment are necessary for both business success and the capacity to significantly contribute to sustainable development. e& recognises the need to cultivate an ecosystem in which social, economic and environmental factors are intertwined. This integrated strategy highlights the importance of open communication, creating a sense of community and leveraging AI to improve meaningful work, in conjunction with our transformation path.

Our dedicated employees are integral to fostering the sustainable success of our business. Their talents and expertise serve as the cornerstone of every successful strategy, guiding us seamlessly from inception to completion. Embracing a harmonious and interconnected framework, e& actively steers its course toward a future where success transcends mere economic metrics. We are committed to measuring success by the positive impact we deliver to both society and the environment, reflecting our broader vision of responsible and impactful business practices.

Focus on: Diversity, Equity and Inclusion

At e&, diversity, equity and inclusion (DEI) is not merely a concept, but an integral part of our identity. We recognise the key role diversity plays from a business perspective and understand its power in fostering innovation and empowering communities. Every year, we raise the bar with passion and authenticity, employing a structured approach, from gender neutral language in job descriptions to equal opportunity processes and benefits, flexible work arrangements and targeted training and awareness. Our unprecedented rates of women, Generation Z and diverse nationality mix across the organisation are testimony to the effectiveness of our DEI programme. We are encouraged by this positive trend, and will continue to push boundaries as laid out in our 2030 DEI targets.

Dena Al Mansoori
GCHRO (2020-2024)
currently Group Chief AI and Data Officer

Definition of material matter:

For e&, Diversity, Equity and Inclusion means recognising diversity amongst our workforce and broader stakeholders, treating people fairly, considering their unique circumstances and embracing a culture in which everyone feels included and heard.

Why it is material to e&:

It is our duty to respect and recognise the differences amongst our people and provide for a fair and inclusive workplace, free of discrimination.

A diverse, equitable and inclusive workplace is essential for fostering innovation, attracting new talent, reflecting our customer base and ultimately enhancing e&'s profitability.

Type of impact:

Diverse perspectives present an opportunity for innovation and growth. However, failing to address diversity challenges poses a risk to our culture, overall performance and attractiveness to potential talent.

Value chain impact:

Upstream | Operations | Downstream

Key stakeholders:

Local Communities | Governments | Customers | Employees | Business community | Regulators | Retailers/Wholesalers | Civil Society | Suppliers | Investors | Financial community | Media

Targets:

- Achieve a workforce gender diversity of 30% by 2030 in our UAE operations
- Increase representation of people with disabilities to 3% by 2030 in our UAE operations
- Increase youth representation to 15% by 2030 in our UAE operations

Our management approach

To e&, DEI is as much an imperative as one that makes business sense in times of transformation. Our HR team's inclusive culture strategy and vision are driven by leaders and colleagues across our footprint. e&'s DEI think tank, composed of employees invested in DEI questions, serves as a catalyst to embed a culture of diversity and inclusion across the Company further. This think tank helps to develop employee support groups, including our "New mothers network" or our "New fathers network", centred around various facets of diversity.

Gender diversity, youth empowerment and support for people with disabilities are our DEI work's three main focus areas managed by our DEI Director".

Our progress in 2023

Our 2023 roadmap and efforts were centred around finetuning data across our diversity categories, strengthening DEI consideration in our HR processes, further raising awareness of DEI, conducting focused DEI trainings to targeted audiences such as line managers and working with external specialised partners to bring the latest DEI know-how and trends to the Company.

Gender diversity

2023 marked a milestone with the signing of the UN Women Empowerment Principles, demonstrating our commitment to empowering women across our Company. To "walk the talk," we conducted a gap assessment to assess our performance against the Principles. While the overall results were satisfactory, the findings highlighted two improvement areas: procurement and marketing. Another first pertained to our Women in Leadership programme, conducted in partnership with Nokia and tailored exclusively for female leaders within the Company, which emphasised the significance of sustainability and empowerment to women in tech..

Our gender data points to an increase in the proportion of women employees in our operations. While we are extremely proud of this positive trend over the past three years, we recognise the importance of keeping momentum to reach our 2030 target of 30% women in our workforce and assessing our gender gaps at various levels of seniority within the organisation.

Youth empowerment

Rejuvenating our workforce is essential to bringing fresh ideas into the Company and reflecting our customer base. Our work over the past few years has had a positive impact as we keep increasing the proportion of Generation Z amongst our employees. Our "AI Graduate Programme" launched in 2021 equips new graduates with tech skills vital for the future of work, appealing to and retaining young talent seeking future-proof skills. We have also created a Youth Council dedicated to driving positive change, youth empowerment and sustainability. By actively participating in various youth-orientated events and initiatives, including the Summer Camp by the Ministry of Culture and Youth, the Company shows its commitment to shaping a brighter future for younger generations.

People with disabilities

Our efforts to further include people with disabilities in our organisation and address their concerns were strengthened in 2023 by our partnerships with external associations specialising in disability and neurodiversity in the workplace, such as ImInclusive, the Butterfly and Neurodiversity in Business. Tackling disability issues across an organisation requires expertise and sensitivity, as the fear of stigma is still prevalent today. Disability can take many forms and is not always visible. We position ourselves for success in further integrating people with disabilities across e& by collaborating with outside partners who assist in increasing awareness of disability and its challenges as well as in evaluating the accessibility of our workplaces.

Looking ahead to 2024

In the upcoming year, e& will enhance its diversity and inclusion initiatives. Important areas of emphasis include internship opportunities and stepping up efforts to support people with disabilities through accessibility assessments. In an effort to promote workplace diversity, the business also intends to provide additional women leadership programmes. e& will put specific measures in place to improve overall diversity, equity and inclusion in response to areas of procurement and marketing that the UN Women Empowerment Principles gap assessments highlighted as needing improvement.

Focus on: Diversity, Equity and Inclusion (continued)

e&'s pioneering commitment to gender equality: A journey upholding UN Women's Empowerment Principles

In 2023, e& embraced the Women's Empowerment Principles (WEPs), a set of seven principles established by the UN Global Compact and UN Women. These principles will provide e& with a framework for increasing women's empowerment and gender equality throughout our operations, thus broadening our focus to include other underrepresented groups inside the organisation.

This commitment to the WEPs is a further testament of our commitment to gender equity, attracting and developing female talent, and advancing women's economic and social opportunities. It aligns seamlessly with our vision of sustainable development as an integral part of our broader ESG agenda.

Partnering with ImInclusive

In 2023, e& demonstrated its commitment to Diversity, Equity and Inclusion (DEI) through participation in the ImInclusive Disability Inclusion Annual Summit 2023. The Company also received the prestigious 2023 Inclusive Community Builder Award. At the summit, Dena Almansoori, Group Chief Human Resource Officer, delivered a keynote address, emphasising the critical role of DEI in cultivating a vibrant and inclusive workforce. This recognition underscores our efforts to empower individuals with diverse abilities, fostering an environment that not only sets the standard for inclusivity within the UAE but also resonates on a global scale.

The partnership with ImInclusive stands as a testament to e&'s ongoing commitment to constructing a workplace and community where diversity is celebrated, equity is prioritised and inclusion is a lived reality.

Embracing a diverse workforce at e& Egypt

For e& Egypt, inclusion and diversity is a priority. Disability empowerment programmes were put into action in 2023, with an emphasis on including them effectively in the organisation. As part of this endeavour, e& Egypt gave managers the responsibility of integrating inclusive principles and frameworks into the organisation's culture. This included a strategic direction to 10% of people with disabilities on each recruiting shortlist, the OpCo actively sought out and welcomed the valuable contributions of individuals with a variety of skill sets. We are happy to report that, as of 31 December 2023, 20 PoDs were hired in Customer Care.

e& Egypt has proactively formed strategic collaborations with several organisations devoted to the inclusion of people with disabilities in the workplace and all other spheres of life. In addition to ensuring people with disabilities are provided with employment opportunities, our relationship supports the main objective of developing a workforce that is truly inclusive.

Empowering people with disabilities is a crucial component of a larger focus on diversity and inclusion that also includes goals for the advancement of women and youth in the workforce. Together with managerial training and inclusivity campaigns on issues like anti-bullying, workplace diversity is fostered by offering women extended maternity leave and remote working benefits or by offering paternity leave for men. e& also develops young people through internships and workplace readiness presentations to students.

Our learning throughout our journey is the following:

- The importance of adapting the workplace for people with disabilities, enabling them to help themselves without difficulty
- Building a culture of inclusivity that fosters and appreciates different inputs and opinions without necessarily spotlighting specific differences
- Driving the culture from the highest management levels
- Understanding that changing mindsets and culture takes time and patience and not being afraid to repeat key messages until the culture absorbs it

e& Egypt strategy is to build diversity, which is characterised by strategic alliances, employee empowerment and a resolute dedication to an inclusive culture. It positions our OpCo as a leader in actively enabling people with a range of abilities.

Our performance	2021	2022	2023
Proportion of women in our workforce (FTE, %)	24.2	24.6	25.8
Proportion of women in management (FTE, %)	13.5	13.8	15.5
Proportion of women in top management (CEO -2) (FTE %)	8	6	4
Proportion of women on our Board of Directors (%)	9.1	9.1	9.1
Gender pay ratio (men to women, FTE)	1:0.68	1:0.72	1:0.71
Proportion of employees by age:<30/30-50/>50 years old (FTE, %)	8/80/12	8/75/17	7/74/18
Proportion of Gen Z employees (age 25 and below during the reporting year) (FTE, %)	2.6	3.8	3.7
Number of nationalities (FTE)	70	71	74
Proportion of local UAE employees (FTE, %)	51.2	51.5	52.5

Talent Attraction, Retention and Development

Definition of material matter:

e& recognises the important role human capital plays in shaping our success, aligning with the current trend of prioritising employee wellbeing and growth. A diverse and skilled workforce is key to fostering innovation and inclusivity.

Why it is material to e&:

Effective talent management is crucial for e& as it directly impacts operational efficiency, innovation and customer satisfaction. It is material since our success hinges on the capabilities, health and growth of our workforce. We have the duty to take care of our employees by remunerating them fairly, assisting their development and safeguarding wellbeing, in compliance with applicable laws.

Type of impact:

Positive impacts include enhanced innovation, improved employee satisfaction and strengthened organisational resilience. Negative impacts may arise from talent shortages, skill gaps or unhealthy turnover rates.

Value chain impact:

Operations

Key stakeholders:

Employees

Local Communities

Governments

Policies:

e& HR Manual

Our management approach

e& is committed to fair and transparent talent management policies, including competitive compensation, professional development opportunities and initiatives to foster an inclusive workplace. The way we manage talent attraction, retention and development is anchored in a strategic framework designed to cultivate a dynamic and diverse workforce, which is particularly important in times of transformation. The process begins with continuous talent attraction strategies, ensuring that our recruitment efforts align with the Company's values and objectives. Once talent is onboard, our commitment to retention is evident through employee engagement programmes, rewards and recognition programmes and a supportive work environment. Our approach extends to comprehensive learning and development initiatives, such as the e& GOLD programme, which equips employees with leadership skills to drive innovation. We regularly assess and refine our talent management practices with industry best practices, ensuring that our workforce remains agile, skilled and motivated. This is instrumental in fostering a workplace where talent is nurtured, retained and continually developed to drive the Company's sustained success.

Employees are compensated based on market-aligned pay scales, subject to regular reviews against external peers to ensure our salaries remain competitive within the region. We review salary levels for all employees annually. In the UAE, we ensure employee salaries are competitive and in compliance with UAE labour law. Further, we conduct periodic market benchmarking and adjusting accordingly.

Progress in 2023

In 2023, e& experienced a transformative year marked by a series of strategic initiatives aimed at enhancing employee engagement fostering innovation and aligning with the Company's commitment to growth and wellbeing. These initiatives played a pivotal role in shaping the success of the business.

We undertook a comprehensive overhaul of our employer branding strategy in 2023, a pivotal move that mirrored the Company's ongoing transformation. The revamped branding placed a strong emphasis on cultivating a dynamic and inclusive workplace, with values such as collaboration, innovation and diversity encouraging the best from e&'s workforce.

In response to changing work preferences, e& adopted a flexible work arrangement policy, allowing employees to work three days on-site and two days remotely each week, and provided an additional 15 remote days that can be taken from anywhere in the world. We are also proud to have initiated a pilot programme exploring the feasibility and benefits of a four-day workweek, aimed at enhancing employee productivity while adapting to evolving trends in work structures. The outcomes of the pilot test will impact e&'s approach to the four-day workweek in future.

Our learning and development programmes revolve around four key target groups: new joiners, fresh graduates, leaders and people managers. For each group, a tailored learning programme has been developed, focusing on essential knowledge, specific skills, soft skills and technical skills. New employees receive essential information about e&, ensuring they are onboarded properly and set up for success. All graduates as part of the AI Graduate Programme undergo training modules covering technical knowledge, soft skills and digital transformation. The GOLD programme (Group Organisation Leadership Development), in partnership with renowned business schools like Harvard, aims to enhance leadership competencies. In 2023, over 100 e& employees graduated from the e& GOLD programme. Similarly, our License to Lead programme focuses on upskilling people managers.

Our company-wide learning platform, IQRA, hosts all mandatory and voluntary training across the business. To support employee growth and development, we have established a coaching hub composed of HR professionals to address any queries related to career growth.

In addition, we reviewed our processes for new and current employees. Our onboarding processes have been streamlined for a smooth integration of new employees into the Company's culture and values. At the same time, a new talent review process helps to provide clarity on expectations and criteria for high-potential employees, and our new competency framework, sets the foundation on expected competencies and proficiencies across the organisation.

We prioritised employee recognition and wellbeing through impactful initiatives. Our annual Rewards and Recognition Ceremony celebrated outstanding performance in key areas such as financial impact, customer experience, innovation and process improvement. These events exemplify our commitment to workplace innovation, fostering an environment where employees are not only acknowledged but also rewarded for their exceptional achievements.

Simultaneously, the Company actively worked on refining the governance of our rewards scheme. This effort ensured that the scheme remained adjustable, fair and cost-conscious. We further demonstrated our dedication to digital transformation and innovative HR strategies by participating in events such as the HR Leaders Conference in Dubai and being a Diamond Sponsor of "The Emirates Labour Market Award". We also established a strategic partnership with LinkedIn, designed to enhance talent acquisition and create valuable professional development opportunities within the business.

In addition, e& is proud to have received several recognitions and awards in 2023:

- Certified as "Great Place to Work" for the first time in company history.
- Recognised as the "Best Employer Brand in MENA" at the Global Brand Awards 2023 by Global Brands Magazine, highlighting innovation, employee wellbeing and tech adoption
- Secured Fast Company Middle East's 2023 "Most Innovative Company in the Workplace" award, which recognised visionary leadership and pioneering workplace strategies

Furthermore, our GCHRO, Dena Almansoori, received the 2023 "CHRO of the Year" at the HRSE Future Workplace Awards, acknowledging her people-centric approach and visionary strategies.

Looking ahead to 2024

In the future, e& intends to use its achievements to further promote positive change across a range of industries. We are dedicated to pushing forward with our Emiratisation efforts to set course for the next generation of leaders. e& will continue to keep diversity, equity and inclusion as well as sustainability at the core of everything we do to create a workplace focused on employee wellbeing and empowerment.

We are dedicated to fostering an environment where all people feel welcomed and able to thrive personally and professionally. Making these priorities and shaping policies, processes and culture to support our people, we will drive positive change, youth programs, learning initiatives, and innovation that align business goals with employee growth for sustainable success. Sustainability and youth empowerment will continue to be major priorities, with the Youth Council leading programmes that promote progress and the betterment of the community.

The Company strives to lead in workplace innovation, diversity and wellbeing with our greatest asset, our people.

Our performance	2021	2022	2023
Total workforce UAE (FTE + outsourced employees)	5192	6174	7210
Proportion of FTEs versus outsourced employees (%)	25	34	45
Total of new hires (FTE, externals)	193	230	182
Percentage of positions filled by internal candidates (FTE,%)	9	25	30
Employee total turnover rate (FTE, %)	5.1	6.9	9.4
Employee voluntary turnover rate (FTE, %)	3.1	2.8	2.4
Employee non-voluntary turnover rate (FTE, %)	2.0	4.1	7.0
Number of employees who took maternity leave/Number who returned to work/ Number who were still in employment 12 months after returning (FTE)	42/31/29	38/28/26	56/46/45
Percentage of employees who took paternity leave, out of those entitled to paternity leave (FTE, %)	60.8	65.6	63.2
Percentage of employees covered by performance appraisals (FTE,%)	100	100	100
Total number of training hours (FTE and outsourced employees)	163,688	188,856	298,686
Number of hours of training per employees	31.5	30.6	41.4
CEO pay ratio (annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees)	1:47.11	1:34.67	1:33.83
Sickness absence rate (% of sick days out of total days worked, FTE)	1.1	1.3	1.6

Local Talent

Definition of material matter:

Local talent (Emiratisation) guides talent acquisition, aligning our workforce with the local demographic. Locally sourced talent enhances operational efficiency and innovation. Increased local representation downstream strengthens customer connections, elevating service delivery.

Why it is material to e&:

Emiratisation is material to e& as it aligns with our commitment to corporate social responsibility, local economic development, and the UAE's broader vision for a knowledge-based and diversified economy. It is a key enabler of sustainable growth, ensuring that the benefits of our operations extend to the local community.

Type of impact:

Emiratisation contributes positively to the local community, promotes diversity and inclusion and aligns with national objectives. Developing a skilled local workforce creates opportunities for sustainable talent pipelines and improved relations with stakeholders.

Value chain impact:

Operations

Key stakeholders:

Local Communities

Governments

Employees

Targets:

Achieve 60% Emiratisation within e& in the UAE by 2030

Our management approach

Emiratisation is deeply embedded in our organisational ethos. Guided by our commitment to contributing to the sustainable growth of the UAE, this framework ensures that Emiratisation is not only a regulatory obligation but a holistic and strategic imperative. Oversight and governance structures are in place to monitor, assess and advance the Emiratisation initiatives. These structures are designed to align with national priorities, foster collaboration with relevant stakeholders, and continually refine our approach to effectively attract, develop and retain local talent. Regular assessments and audits are conducted to gauge progress and identify areas for enhancement, reflecting our dedication to transparency, accountability and the long-term success of Emiratisation within the Company.

Progress in 2023

Emiratisation serves as a catalyst for community empowerment and aligns with the UAE's vision for a knowledge-driven economy. Empowering and nurturing future leaders has consistently ranked as our top priority, and we are keen to onboard young local talent through career fairs or by offering dedicated graduate trainee programmes. Over the last three years, we are pleased to report a substantial increase in the total percentage of Emiratisation within our Company to address lower % of management level Emiratis.

Emiratisation levels in management have dropped slightly as we streamlined our operating model and shifted to more lean, agile organization structures. This created a new baseline and lowered management Emiratisation levels short-term. However, we remain firmly committed to empowering and nurturing future Emirati leaders through initiatives like career fairs, dedicated graduate programmes, and proactive Emirati recruitment and development plans across the business. Empowering local talent and growing sustainable Emirati leadership pipelines align fully with the UAE's vision for a knowledge-driven economy and community empowerment. This achievement underscores our commitment to nurturing local talent, providing opportunities for growth and fostering a culture where individuals can thrive and contribute to our collective success.

Looking ahead to 2024

As e& transitions from a regional telecommunications company to a global technology group, our focus will naturally shift towards localisation of skills in the regions where we operate, including increased Emiratisation in the UAE. We are dedicated to further enriching our organisational landscape with a diverse and skilled cadre of professionals.

Our performance	2021	2022	2023
Proportion of local UAE employees (%, FTE)	51.2	51.5	52.5
Proportion of local UAE employees in management (%, FTE)	48.5	46.8	44.9

Digital Access and Inclusion

Definition of material matter:

Enabling available, accessible, affordable connectivity and digital solutions in the communities in which we operate.

Why it is material to e&:

Connectivity is at the core of our business activities. By tackling access and inclusion, we can address broader societal challenges while positively impacting our business.

Type of impact:

Providing for connectivity and inclusive digital access, is an enabler for the communities to access essential services such as health, education or finance.

Value chain impact:

Operations

Downstream

Key stakeholders:

Local Communities

Customers

Governments

Civil Society

Business community

Targets:

Improving the lives of 30 million individuals through enhanced network access, financial services and technology education by 2025

Context

Today, approximately one third of the world's population still lacks network connectivity, and in this unconnected population there is still a disparity in access between women and men, older and younger generations, low and high-income earners, rural and urban populations and able and disabled people.*

Digital inclusion addresses these inequalities and supports access to certain basic services such as healthcare, education or banking services. The indirect economic impact of providing network access and inclusive digital solutions is extensive for individuals and national economies, provided it covers the various facets of access: availability, affordability and the availability of devices for access.

Our progress in 2023

In 2023, e& proudly joined the EDISON Alliance, reinforcing its commitment to bridging the digital divide. Launched in 2021, the EDISON Alliance is a global initiative that seeks to improve the lives of millions of people through affordable access to digital solutions in healthcare, finance and education. The EDISON Alliance's ambitious goal is to provide affordable access to digital services to one billion people by 2025.

e& has pledged to contribute significantly to this mission. By 2025 we aim to have improved the lives of 30 million individuals through enhanced network access, financial services and technology education.

We are adopting a comprehensive approach to realising these commitments by mobilising joint efforts across all of e&'s operations and aligning priorities to advocate for increased digital investment. Leveraging our cutting-edge fixed and mobile telecommunication networks, we aim to provide the best and latest connectivity solutions. This initiative directly contributes to bridging the digital divide, ensuring that even remote areas have access to reliable digital services.

In addition to network accessibility, e& is extending financial services through innovative mobile technologies such as EM Money, WIO Bank and other remittance services. This move not only enhances financial inclusion but also economically empowers individuals, integrating them into the digital financial ecosystem.

e& is also committed to providing technology education. Initiatives are underway to equip individuals with the skills and knowledge necessary to thrive in the digital era.

Within the UAE, and in line with the country's vision and ambition to lead in the digital realm, e& launched major initiatives addressing digital education. With e& being the Code.org anchor partner for the region, focused on expanding computer science education in schools, we initiated "I Speak Code&", an 8-week bootcamp teaching children aged 5 to 12 the basics of coding using the Code.org curriculum.

During the year, e& and the UAE's Ministry of Education signed a Memorandum of Understanding (MoU) to enhance technology education programmes in the UAE. The MoU focuses on nurturing a digital-first mindset among students, using next-generation digital tools, such as Artificial intelligence (AI), to augment the educational sphere.

When it comes to our own operations, we strive to be an accessible and inclusive company. Accordingly, we ensure that our website is equipped with features to help people with disabilities to navigate it with ease. To make our products and services even more accessible, we are offering discounts on selected plans for people with disabilities.

Looking ahead to 2024

Throughout 2024, we will accelerate our access work in line with our commitment to the EDISON Alliance. We look forward to reporting further on our social impact.

*Measuring digital development Facts and Figures 2023, International Telecommunication Union, Telecommunication Development Sector, https://www.itu.int/itu-d/reports/statistics/facts-figures-2023/

Health and Safety

Definition of material matter:

Health and Safety (HSE) entails comprehensive policies and practices to ensure the security, safety and wellbeing of our workforce and anyone entering our premises or affected by our operations, in accordance with applicable laws.

Why it is material to e&:

The health and safety of our employees and contractors is a top priority, aligning with our commitment to providing a secure and conducive working environment. It is integral to our corporate responsibility and supports the sustainable and ethical operation of our business.

Type of impact:

The impact is actual, considering the tangible and measurable influence of health and safety policies on our operations and stakeholders across the value chain. It is overwhelmingly positive, constituting an opportunity to create a secure work environment, build trust among stakeholders and enhance our corporate reputation.

Value chain impact:

Upstream Operations Downstream

Key stakeholders:

Local Communities Employees Customers Governments Regulators Suppliers

Policies:

- e& Group Occupational Health and Safety Policy
- e& Code of Conduct
- e& Supplier Code of Conduct

Our management approach

At e&, we subscribe to the highest standards of workplace health and safety. We work hard to ensure that all relevant laws and safe labour practices are followed. All people in our orbit – workers, suppliers, contractors, consultants, guests and partners – are covered by this pledge. Our extensive Occupational Health and Safety (OHS) Policy requires that safety regulations be strictly followed. It also mandates that any infraction be reported immediately, as stated in our Code of Conduct. We emphasise hazards prevention and safety, and anyone in our premises can report any issue to on-site security teams or receptionists. If an incident were to occur, a dedicated and documented investigation process completes our approach.

We have a dedicated HSE Committee comprising of senior Vice Presidents across the Group. On a day-to-day basis, health and safety work is led by our HSE team, which is part of our wider Operations team reporting directly to the Group CEO. We are currently working towards a new governance model which will include our operating companies as well as HSE ambassadors across the Group.

Our Occupational Health and Safety Management System is updated and implemented with diligence, in line with ISO 45001:2018 standards, and the accreditation of our business units and facilities is underway. Our continuous endeavours encompass working in tandem with the Business Excellence team to measure our performance against worldwide industry norms and executing the HSE Empowerment initiative. This comprehensive strategy attempts to guarantee a safe and secure work environment for everyone by raising our safety culture, strengthening emergency preparedness and improving documentation requirements.

Progress in 2023

Our HSE work encompasses not only the physical security and safety of our employees, but also their health and wellbeing while at work.

The most significant health and safety risks that we face are associated with rigging, network maintenance and the upkeep of high-rise buildings. Training and prevention are an essential part of our work, and instilling a culture of safety was a focus area in 2023. We improved our behavioural HSE practices and developed mandatory training for all new staff focusing on emergencies and security aspects in high rise buildings. This training is added on top of the dedicated HSE training delivered to specific staff based on their roles within the Company. To further develop our employee and contractor awareness of the topic, we enhanced our training and awareness sessions, delivered both virtually and physically, to ensure comprehensive education on safety protocols. We continuously engage with employees through internal channels such as newsletters, while revamping our intranet and refining our training offer on IQRA, the corporate training platform. We also conducted our first roadshow, reaching out to over 2,000 employees.

A key milestone was the inauguration of our HSE Centre of Excellence on our premises. This dedicated HSE training facility uses the latest technologies, such as virtual or augmented reality and hologram projections, placing employees in "real-life" emergency scenarios, thereby preparing them with practiced behaviours to remain safe and secure in emergency situations.

At e&, we believe our HSE efforts do not stop with operations. We have a duty to protect those who work on our behalf, as enshrined in our Supplier Code of Conduct. Part of our efforts in 2023 were dedicated to enhancing contractor training on specific safety questions. Critical contractors were trained and certified on specific safety aspects, without which we would not allow them on our premises. For contractors to report any safety hazards or issues that may affect them or their working conditions, we have established dedicated speak-up mechanisms. To date, most issues reported pertain to the improper use or lack of Professional Protective Equipment (PPE) such as safety boots. We also reinforced our process and systems pertaining to contractor due diligence.

HSE considerations are also integrated into our M&A due diligence.

Our health and safety performance remains in line with previous years. We are pleased to report that there have been no fatalities across our UAE operations (employees or contractors) in 2023.

Looking ahead to 2024

Continuing our commitment to holistic wellbeing, health and safety, we aim to further our ISO 45001 certification efforts and review our HSE governance structure to allow for more alignment with our operating companies.

Our performance	2021	2022	2023
Total number of Health and Safety training hours provided to employees	6,742	9,564	9,789
Number of recordable work-related injuries - employees	0	1	2
Number of high-consequence work-related injuries (excluding fatalities)- employees	0	0	0
Number of fatalities - employees	0	0	0
Number of recordable work-related injuries - contractors	2	2	5
Number of high-consequence work-related injuries (excluding fatalities) - contractors	0	0	0
Number of fatalities - contractors	0	0	0

Health and safety of our customers and local communities

We understand the public apprehension around electromagnetic emissions (EME) from mobile devices and base stations, and we take responsibility for communicating transparently and acting in accordance with applicable laws in each jurisdiction in which we operate.

In the UAE, our telecommunication networks are aligned with the TDRA guidelines on Non-Ionising Radiation Limits for Telecommunication Networks, which are in line with International Commission of Non-Ionising Radiation Protection (ICNIRP) guidelines in terms of Specific Absorption Rate. The compliance and EME documents are communicated to all employees and vendors and followed throughout all our installations. We engage with customers and local communities about the effect of EMEs, conducting random as well as on demand checks on radiation levels. To ensure full impartiality, we mandate third parties to conduct these verifications.

All products and services offered within e& comply with regulatory requirements. 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 (RoHS) in the Electrical and Electronic Equipment 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 them with safer alternatives, we reduce the impact of our products and services and ensure the safety of our community.

Community Involvement

Definition of material matter:

e&'s impact on the people who live in the regions where it operates.

Why it is material to e&:

As one of the most valuable telecommunications brands in the region, e& has a responsibility to uplift and support the citizens that it serves. e&'s licence to operate is granted by our communities.

Type of impact:

Corporate Social Responsibility (CSR) activities support employee engagement and motivation, contribute positively to ESG ratings, increase support from regulatory and government bodies, and enhance brand identity, trust and reputation.

Value chain impact:

Operations

Downstream

Key stakeholders:

Local Communities

Governments

Customers

Employees

Civil Society

Policies:

e& Corporate Social Responsibility Policy

Our management approach

e&'s CSR team manages the community programme with approximately 850 volunteers at e& participating in the various activities organised by the CSR team. We monitor their feedback after each engagement to ensure that we keep improving our positive impact and building relevant impact.

When determining which initiatives to engage in, e& is guided by the following CSR pillars and themes:

Pillar	Theme
Philanthropic and humanitarian responsibility	We partner with the UAE Government, charity organisations and NGOs for maximum impact
Society development	We support the national agenda and initiatives
Social impact	We empower people with disabilities, start-ups and incubators
Volunteering	By providing our employees with opportunities to volunteer, we enhance the sense of giving and participation among our own teams
Connect	As a technological organisation, we can empower and train (students and teachers) in technology, cybersecurity, coding, blockchain, etc.

Our e& Corporate Social Responsibility (CSR) programme advances societal welfare in the framework of national priority projects and global organisations like the GSMA, the Sustainable Development Goals (SDGs) of the United Nations and the Global Compact (UNGC). From an internal standpoint, volunteering is key for fostering staff engagement.

Our progress in 2023

We expanded our CSR efforts in 2023. e&'s humanitarian efforts were directed at natural catastrophe relief in Syria, Turkey, Morocco and Pakistan. The severe earthquakes that struck Turkey and Syria in February 2023 left hundreds of thousands of people affected. e& responded to the crisis by offering assistance through three key services. To facilitate family reunions, e& UAE and e& Egypt offered free minutes for calls to Turkey or Syria in addition to free incoming and outgoing roaming calls to both nations. We helped Turkey rebuild its telecommunications infrastructure by shipping 4,000 items of radio and digital equipment into the country. Emergency help was given to those affected by the earthquakes in Syria and Turkey through the #BridgesOfGiving project, which was coordinated by the Mohammed Bin Rashid Al Maktoum Global Initiative and the Emirates Red Crescent (ERC). Packing relief packages was a volunteer task for our staff.

We were delighted with the results of our Ramadan #1BillionMeals endowment campaign, which urged social media users to make donations to assist with feeding families all across the world. Followers have the option to make a donation immediately through the partner mobile application, by SMS subscription, Smiles application or by direct donation.

A blood drive organised in conjunction with EHSUAE saw our employees donate 159 units of blood, which could potentially save 477 lives. We also partnered with the Make a Wish Foundation to allow our social media followers to contribute to the grant of 134 life-changing wishes for critically ill children. e& is also a major sponsor of the Manchester City Football Club. As part of this collaboration, e& assisted young football players in Dubai and Abu Dhabi to develop professional skills by preparing and entering them into two international competitions and two regional contests.

Our volunteering work covered various activities and events such as COP28 and GITEX, with over 300 hours dedicated to volunteering.

The seriousness and impact of our CSR activities was recognised though the Impact Seal, Platinum category, awarded by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE and Ruler of Dubai, in June 2023.

Looking ahead to 2024

In 2024, we will review the way we manage our community work, establishing a dedicated Community Foundation, "e& Community" to initiate and manage the organisation's CSR activities, ensuring even greater and more strategic impact across the Group.

Our performance	2021	2022	2023
Overall contribution to community work (AED million)	24.3	25.8	29.16
Spend on community work (AED million)	14.5	17.0	11.84
Amount spent in kind (AED million)	9.8	8.8	17.32
Number of volunteering hours*	n/a	200	2,716
Number of volunteers amongst employees*	n/a	600	510

* no volunteering due to Covid in 2021

Partnering with Code.org

The demand for digital literacy and computer science skills is growing across sectors and societies all around the world.

As the regional anchor partner of Code.org, an organisation focused on expanding computer science education in schools, e& is on a mission to empower young people with the skills of the future. Through this programme, participants learned the fundamentals of coding while building core competencies such as critical thinking, problem-solving and teamwork which will enable them to navigate the rapidly changing digital landscape.

The first milestone of our partnership with Code.org was the "I Speak Code&" bootcamp – spanning eight weeks. It involved 150 children aged 5 to 12 years old gathered in Abu Dhabi to learn the basics of coding. Our HR team orchestrated the bootcamp, with selected computer science teachers from across the Emirates delivering the Code.org curriculum to our young learners. In line with the Ministry of Education's vision, the bootcamp exemplifies the nation's ambition to lead in the digital realm. Further to this, e& and the Ministry of Education signed an MOU at GITEX to strengthen this partnership.

4.5

Operating Responsibly

99.8%
completion of our Code of Conduct e-learning (FTE, UAE operations)

0
Data breaches

At e&, operating responsibly extends beyond mere compliance. We aim to assume a leadership role in sustainability by embedding sustainable practices into our internal systems and procedures, from how we manage our supply chain to the responsible commercialisation of our products and services.

Reporting transparently on how we conduct our business plays a pivotal role in instilling trust with our stakeholders, in the pursuit of shared sustainability objectives.

Focus on: Ethical Business Practices

"The past year has been transformative for our function and the overall compliance culture across the organisation. Achieving the ISO 37001 certification for our Anti-Bribery Management System was a significant milestone.

The revamping of our Code of Conduct, the backbone of our ethics and compliance programme, was another highlight. By crafting it in an innovative, accessible and relatable way, we brought people to the heart of our compliance work, instilling a culture that reflects our commitment to ethical business conduct.

We are proud to have brought a step-change across e&, "making good possible", further integrating policies and initiatives to address key compliance risks and issuing our new Supplier Code of Ethical Conduct. Overall, we are actively steering our ethical business practices in a positive direction, adapting to evolving regulatory frameworks, addressing emerging ethical concerns, and fostering a consistent culture of ethical conduct across the Group."

Brooke Lindsay
Group Chief Legal and Compliance Officer

Definition of material matter:

Our commitment to conduct business with the highest standards of ethics and integrity, in compliance with applicable laws.

Why it is material to e&:

Core to our business success, our reputation and the trust of our customers is the way in which we conduct our business, based on sound ethical business practices across our value chain and the geographies in which we operate.

Type of impact:

Without a consistent and structured ethical and compliance programme, we risk losing our licence to operate and the trust of our stakeholders.

Value chain impact:

Upstream | Operations | Downstream

Key stakeholders:

Local Communities | Governments | Customers | Employees | Business community | Regulators

Retailers/ Wholesalers | Civil Society | Suppliers | Investors | Financial community | Media

Policies:

- e& Code of Conduct
- e& Supplier Code of Conduct
- e& Antibribery and Anti-Corruption Policy
- e& Gifts, Entertainment and Hospitality Policy
- e& Conflict of Interest Policy
- e& Third-Party Risk Management Policy
- e& Sanctions Policy

Our management approach

Central to our Ethics and Compliance programme is our Group Code of Conduct, underpinned by a suite of policies laying the foundation of how we conduct business at e&: transparently, fairly and in compliance with applicable legal frameworks.

The programme is led by our Group Chief Legal and Compliance Officer (GCLCO) and overseen by e&'s Group Ethics and Compliance Steering Committee comprising of 10 management executives, chaired by the GCEO, including the GCIA&RO and the GCFO.

At Board level, the Audit Committee is responsible for overseeing the Company's Ethics and Compliance programme and receives quarterly updates from the GCLCO.

On a day-to-day basis, the Ethics and Compliance team provides necessary guidance to e& departments and employees on enquiries related to ethics and compliance topics. 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 processes, control mechanisms and training programmes, to ensure e&'s employees and third parties comply with ethical 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. We follow a thorough risk assessment process, detailed in our anti-bribery and anti-corruption policies and guidelines, complemented by the implementation of our control measures. The risks identified are comparable to those that a normal business of e&'s size would encounter when conducting business in our jurisdiction and the telecommunication sector. All identified risks are properly mitigated, and respective controls are put in place to ensure that such risks do not materialise.

Anti-competitive practices

e& promotes fair competition and is committed to combating anti-competitive practices and behaviour in line with applicable legislations and regulations.

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. These include competition topics in line with fair competition policies, practices and procedures which cover the full spectrum of the legal and regulatory landscape.

Focus on: Ethical Business Practices (continued)

Our progress in 2023

2023 marked a significant milestone in further enhancing our ethics and compliance work, marked by the ISO 370001 certification of our Anti-bribery Management System in our UAE operations. Considered the golden standard for compliance programmes, the certification is a testimony to our sound processes, policies and activities in preventing and addressing bribery.

During 2023, we aimed to embed a culture epitomising our commitment to ethical business conduct. e&'s revised Code of Conduct was central to that endeavour, as we refreshed our e-learning on the Code of Conduct and on our ethics and compliance policies. Our compliance e-learning saw a completion rate of 99.8% in our UAE operations, including our part-time staff and our outsourced associates. We also carried out tailored training for certain business segments. To further engage employees around our programme we organised various roadshows or dedicated events, such as our annual Compliance Day in December that focused on the importance of AI-related ethics. We were pleased to see that our employee engagement survey resulted in the net promoter score, gauging the understanding of our compliance programme, being close to 83%. As the Company continues to transform, we will tie in our ethics culture work with the broader e& cultural transformation efforts.

Other achievements included the digitalisation and automation of certain processes, including the annual acknowledgement and confirmation of our e& Ethics and Compliance Policies and the Conflict of Interest Disclosure, along with our third-party risk management assessment.

Our work with our operating companies was strengthened this year as we seek to further align on our compliance maturity journey. To this end we carried out a compliance maturity assessment with PTCL Group, Etisalat Afghanistan and e& Egypt.

Our compliance work doesn't stop at our operations. The governance team collaborated closely with Procurement on the development of a new Supplier Code of Conduct in order for our ethics and compliance expectations to be further embedded upstream in our value chain.

The year ended with more recognition for e&'s Legal and Compliance team. We won the "Middle East In-House Legal Team of the Year" and the "Technology, Media and Telecommunications In-House Legal Team of the Year" awards at ALB Middle East Awards 2023, as well as the "In-House Team of the Year – Corporate" at the IFLR Middle East Awards 2023. Our GCLCO was also awarded for her achievements in leading "...a legal department that has been front and centre of a series of transformative deals, innovative both commercially for e& and corporates in the region and legally, with unconventional M&A deals to further expansion and diversification".

Looking ahead to 2024

We will keep improving our programmes, help our operating companies and business verticals grow their compliance capacities, and supervise the execution of our programs throughout our growing footprint in 2024.

Our performance	2021	2022	2023
Percentage of employees trained on our Code of Conduct (%)	n/a*	n/a*	99.8
Number concerns brought to the whistleblowing line	59	69	81
Number of cases investigated	53	67	80
Number of substantiated cases	36	35	38

*2021 and 2022 data were computed differently. Data will be comparable 2023 onwards.

Do what is right, not what is easy! Bringing our compliance programme to life at Pakistan Telecommunication Company Limited (PTCL Group)

Our Ethics and Compliance programme at PTCL Group was developed a few years ago. This year, we upgraded the programme, taking a four-pronged approach:

- Conducting a compliance risk assessment for Anti-Bribery and Anti-Corruption (ABAC) and Global Sanctions
- Building the team
- Conducting a maturity assessment with the e& Group's Ethics and Compliance programme
- Leading a culture change

Central to this approach was making the compliance programme simple, accessible and engaging for all employees.

In addition to updating our usual compliance training and e-learning, we implemented internal awareness initiatives, such as including a "compliance tip of the week" in the weekly employee news bulletin.

Naturally, top-down compliance messaging from a top management level is best supported by compliance champions on the ground, across the Company, personifying the message. Compliance roadshows across Pakistan are designed to engage employees who have compliance questions. Various campaigns, including the Ethics and Compliance week and the Fraud Awareness Week, aim to remind employees of the compliance essentials of the Company. Video competitions served as both a fun and efficient way to spark conversation around compliance.

Fostering a change in mindset towards "doing what is right, not what is easy" has set the tone of the compliance programme in 2023 and paves the way for further enhancing of the Ethics and Compliance programme at PTCL.

Our speak up line

e&'s whistleblower channels encourage everyone to disclose immediately any wrongdoings that may adversely impact the e& Group.

Our speak-up process promotes openness in the workplace and encourages employees to report instances of unethical behaviour, actual or suspected fraud and violations of e&'s policies and processes. Supported by our Whistleblowing Policy and guidelines, it is a formal whistleblowing system with legal protection, managed by the Internal Audit department.

Employees and external stakeholders can report concerns by email, phone, regular mail or through mailboxes on our premises, with an option to remain anonymous. Such concerns may include 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 or contractor and discrimination against any member of staff or customers. The whistleblowing process guarantees confidentiality and protects those reaching out from retaliation.

Concerns raised by our stakeholders are managed in accordance with our internal policies and guidelines, such as the Global Whistleblower Policy which outlines the entire process from concern registration through to investigation, reporting and closure. The Global Whistleblower Policy is not a standalone policy but compliments other e& Group policies such as the Code of Conduct, Suppliers' Code of Conduct and compliance and ethics policies.

In 2023, a total of 81 incident reports were received by the Internal Audit department through the whistleblowing channels, compared to 69 in 2022. Of the completed investigations in 2023, 38 were substantiated and pertained mainly to non-compliance to policies and procedures, customer care and non-fraud (grievances or behavioural complaints), which resulted in disciplinary measures ranging from advice letters and dismissals to recommendations for improvement.

Within our supply chain, we expect our suppliers to provide an anonymous complaint mechanism for workers and managers to report any grievances and to take measures to protect whistleblower confidentiality and prohibit retaliation.

Suppliers may report any violation or breach of the Supplier Code via: whistleblower@eand.com.

Proactive fraud risk management

Several proactive preventative fraud risk management initiatives are undertaken at e&.

Fraud Awareness Week is an annual campaign celebrated across the e& Group footprint in an effort to combat fraud. We successfully delivered the third annual fraud awareness week at e& Group, e& OpCos and subsidiaries in 2023.

Furthermore, we established a Fraud Risk Assessment programme across all operations and locations, which includes the implementation of data analytics skills within the programme. The main objective of the programme is to identify areas of vulnerability to fraud in the organisation and to assess the mitigating controls in place to combat these.

Fraud forums and roundtable meetings are also conducted across the e& footprint to support knowledge sharing and collaboration.

Data Privacy

Definition of material matter:

To us, data privacy means taking care of the confidentiality and integrity of all personal information we hold, including that of our customers, employees and business partners. It encompasses the responsible and lawful handling of data, ensuring compliance with privacy laws, regulations and industry standards.

Why it is material to e&:

Data privacy is material to e& due to the increasing legislative landscape in the markets we operate in and the importance of the expanding digital information process. As a technology company, e& recognises the trust placed in it by customers and stakeholders and understands that the responsible management of data is essential for maintaining that trust.

Type of impact:

Positive impacts include fostering trust among customers and stakeholders, while potential negative impacts could involve breaches leading to reputational damage, financial loss and legal consequences.

Value chain impact:

Key stakeholders:

Policies:

e& Group Data Protection Policy

Context

In the ever-evolving landscape of digital connectivity, e& is proactively navigating the challenges posed by data protection and privacy. While e& celebrates its 2023 achievements, we acknowledge the dynamic nature of the digital landscape, presenting ongoing challenges in the realm of data protection. The emerging trends in privacy regulations demand continuous adaptation, and e& recognises the need for agility in response to evolving legal frameworks and customer expectations. Managing the delicate balance between innovation and privacy protection remains a challenge, necessitating strategic decisions to navigate this complex landscape successfully.

Having the right governance and processes in place, as well as the relevant preventative and mitigation processes, are essential to sound data protection management. Just as is the training of our employees or the understanding of obtaining the required consents and providing relevant privacy notices to our customers and business partners.

Our management approach

Data privacy legislation is rapidly changing around the globe. In many of the countries where we operate, data privacy legal frameworks are emerging, and our activities are often regulated by multiple regulatory bodies from a data privacy perspective. This is the case in the UAE, where our activities are regulated by the Data Protection Law (Federal Law No. 45), inspired by the GDPR and adopted in 2021, and by the TDRA which governs the use of consumer data in the telecommunication industry.

In 2023 we developed and issued our Group Data Protection Policy, which was approved by the Audit Committee and the Board of Directors. It applies globally to everyone working for and with e&, including our operating companies which may have additional policies specific to their local requirements.

Our Group Data Protection team sits in the Group Legal and Compliance department and reflects e&'s proactive approach to addressing the evolving landscape of data privacy. The role of the team includes navigating the complexities of privacy regulations, fostering a culture of compliance, assessing and managing regulatory risks, engaging with regulators and assisting any employee raising data privacy questions. Across our UAE operations, data privacy training is available for all employees.

From an operational standpoint, each of our operating companies establishes technical and security measures to prevent unauthorised or accidental access, use, disclosure or loss of or damage to personal data that is held by e&.

Data governance and protection are fully integrated into our company-wide Enterprise Risk Management (ERM) system, the latest developments of which are discussed in our Annual Report section (link).

Progress in 2023

2023 saw the strengthening of our Group Data Protection team at Group level. We expanded our team, bringing in data protection experts, and developed our groupwide policy.

We also created and launched our Group Data Protection programme, which will assess compliance with our Data Protection Policy.

Our Data Protection Policy was created with the end user in mind and used legal design principles to make it simple and engaging. e& is a global brand, and many of our colleagues speak multiple languages. By using simple and clear language and the use of icons and other visually engaging elements, we aim to make complex concepts accessible to all our colleagues, further embedding a culture of compliance across the organisation and beyond. As employees become ever more familiar with the topic, we expect to see increased questions and internal discussions on data protection, testifying to the cultural change occurring in the Company on this issue.

Looking ahead to 2024

Looking ahead, we will bring our Data Protection Policy to life through awareness campaigns and training. Data protection e-learning is available to all employees, including part-time and outsourced employees, in addition to the existing training, such as the cybersecurity training. We strive to strengthen our data protection culture, not only in the organisation but also across our value chains, and are assessing currents gaps downstream and upstream in our operations. These will be addressed in 2024.

As we transform from a traditional telecommunications company to a global technology group, the risks and opportunities of dealing with increased sets of data are evolving too. The establishment of our dedicated team and the issuance of a comprehensive policy underscores our commitment to ensuring a secure and trustworthy digital environment for our customers and stakeholders.

Our performance	2021	2022	2023
Number of data breaches	0	0	0

Cybersecurity

Definition of material matter:

Cybersecurity is a foundational aspect of e&'s operations, encompassing measures and practices aimed at safeguarding the Company's digital assets, infrastructure and customer data from cyber threats.

Why it is material to e&:

Cybersecurity is material to e& due to the increasing frequency and sophistication of cyber threats in the digital landscape. As a technology company, e& understands that the cybersecurity of its systems directly impacts the trust and confidence of its stakeholders.

Type of impact:

Positive impacts include a secure digital environment, safeguarding customer trust and protecting critical business operations. Potential negative impacts involve the risk of data breaches, financial loss and reputational damage.

Value chain impact:

Upstream

Operations

Downstream

Key stakeholders:

Employees

Customers

Governments

Suppliers

Business Partners

Regulators

Civil Society

Policies:

- e& has a policy framework encompassing over 30 policies covering all security domains
- e& Code of Conduct
- e& Supplier Code of Conduct

Our management approach

The governance of cybersecurity is structured through our Corporate Information Security Steering Committee (CISSC), led by the UAE CEO. This executive-level committee oversees information security for e& and ensures the continuous enhancement of cybersecurity controls. With 28 members across e& Operating Companies, the CISSC addresses various security domains, including cybersecurity, physical security, personnel security, business continuity management (BCM) and governance.

Policies governing information security, including cybersecurity, are subject to regular reviews by the CISSC. These policies comprehensively address crucial aspects such as employee safety, asset management, access control, cybersecurity and operational safety. Additionally, the role of the e& Chief Technology and Information Officer (CTIO) is pivotal in reinforcing the Company's commitment to cybersecurity.

Regarding commitments and targets, internal security KPIs emphasise metrics like near zero security attacks that affect business, 99.9% uptime for security defences and controls as well as, near zero critical and high-severity vulnerability maintenance. Evaluating KPIs is a key component of measuring progress, with an emphasis on preserving a safe environment for e-business and e& UAE operations while favouring the environment and society. Effectiveness is measured by the speed with which catastrophic situations can be handled and by the continuous improvement of cybersecurity capabilities.

e& maintains ISO 27000:2013 and PCI DSS accreditation for selected activities, based on the Group's needs.

Progress in 2023

e& UAE recorded a robust performance in 2023 in maintaining a sound cybersecurity framework and taking the initiative to find and fix possible flaws. We employ advanced security technologies, conduct ongoing risk assessments and implement preventative measures such as 24/7 cyber defence monitoring.

Our commitment to cybersecurity excellence extends to comprehensive annual security assessments conducted by third-party entities.

In tandem with preventative measures, we demonstrated a robust reactive strategy with a well-developed incident response plan, which encompasses clear investigation procedures, the rectification of identified issues and the timely closure of incidents. Our ability to swiftly respond to potential security incidents contributes to the overall resilience of our cybersecurity infrastructure.

e& prioritised staff training and awareness initiatives in 2023. The implementation of mandatory security training, featuring a stringent passing score requirement of 80%, reflects our commitment to cultivating a vigilant and knowledgeable workforce. Regular roadshows and quarterly phishing exercises further contributed to enhancing employee awareness, which is crucial in the ever-evolving landscape of cyber threats. We achieved a commendable 95% completion rate for our internal security training in 2023. This accomplishment not only highlighted our dedication to maintaining a highly informed workforce but also played an important role in contributing to positive ESG ratings.

In addition, we collaborated with the Cybersecurity Council to introduce the Etisalat Virtual Security Advisor. This innovative initiative aims to provide an automated assistance to validate a URL, in order to prevent the end user from clicking on malicious content. The collaboration showcased our commitment to leveraging advanced technologies to business stakeholders to address their evolving cybersecurity threat landscape.

Looking ahead to 2024

Looking ahead to 2024, the focus is on developing security solutions in collaboration with the business to meet growing customer demands. The team also aspires to revolutionise cybersecurity defence capabilities by incorporating AI and machine learning (ML) technologies. A notable opportunity on the horizon is the plan to build a secure 5G private network.

In the long-term, the vision extends to strengthening cybersecurity posture by capitalising on AI and ML technologies while safeguarding e&'s data from risks associated with emerging technologies threat landscape.

Our performance	2021	2022	2023
Number of attempted cyber attacks (mio)	8.4	65.7	105.9
Number of actual cyber attacks	0	0	0
Percentage of employees trained on cybersecurity (%)	70	80	95

Sustainable Supply Chain

Definition of material matter:

A sustainable supply chain refers to the integration of environmentally and socially responsible practices across the procurement and distribution processes. It involves minimising the environmental impact, ensuring ethical sourcing and fostering positive social outcomes within the supply chain.

Why it is material to e&:

Sustainable supply chain management is critical for e&, as it aligns with the Company's commitment to corporate responsibility beyond its own operations. Ethical and social sourcing coupled with environmentally conscious practices contribute to a sustainable and resilient business model.

Type of impact:

Actual positive impacts include a reduced carbon footprint, ethical sourcing and community development. Potential negative impacts involve reputational damage due to unethical practices within the supply chain.

Value chain impact:

Upstream

Key stakeholders:

Employees, Customers, Governments, Suppliers, Business Partners, Regulators, Civil Society

Policies:

- e& Supplier Code
- e& Occupational Health and Safety Policy
- e& Group Environment Policy
- e& Third-Party Risk Management Policy

Our management approach

As we are a large technology and telecommunications provider, our supply chains are an essential aspect of our business model and business continuity, and we aim to maintain strong relationships with our suppliers and vendors.

Our supply chains primarily include the procurement of technology and telecommunications equipment, software solutions and professional services. We rely on suppliers that range in size from small and medium-sized enterprises to large multinationals.

As part of our supplier selection process, we give preference to local suppliers, in line with the UAE's wider strategic goals, and aim to source locally whenever possible.

Addressing sustainability in our supply chain presupposes a cross-functional approach across e&, involving our Legal and Compliance function, our Enterprise Risk Management team and our Sustainability team, with our Procurement function leading our efforts.

Various ways in which we are integrating ESG considerations into our procurement practices:

- Issuance of our supplier code, we expect suppliers to align with our ESG standards
- Due diligence system, we assess suppliers' actual ethical and social practices
- Development of Project Life, we are crafting a green procurement platform and further evaluating our suppliers with EcoVadis

Progress in 2023

Supplier Code of Conduct

Strong governance, accountability and transparency policies are vital to aligning our supply chain with our shared sustainability goals.

In 2023, in line with e& commitments to global ESG goals and standards, our e& Board of Directors approved the launch of a new Supplier Code of Ethical Conduct to promote the responsible management of social, ethical and environmental issues in our supply chain. It includes issues such as safe working practices and labour, as well as environmental, ethical and sustainability standards and the responsible sourcing of minerals.

The Supplier Code complements our e& Code of Conduct for employees, which was updated in early 2023 and ensures that our suppliers consistently apply, and align to, the same standards and values, to support the communities in which we work and reduce the risk of unethical or illegal conduct in our supply chain.

Due diligence in our supply chain

To protect e&'s brand and reputation, we conduct a thorough registration and selection, due diligence and engagement process prior to onboarding or engaging any supplier. We work closely with our suppliers to make sure they follow our requirements in their operations and supply chains.

For the purpose of selecting, reviewing, approving and monitoring business partners, we have established an efficient interaction mechanism between our procurement, compliance and business teams. This is an essential component of our efforts to manage e&'s risk.

As part of our existing supplier risk assessment and due diligence process, we utilise advanced third-party screening technology from an internationally renowned provider. All potential suppliers are subject to a screening process that includes screening for ESG risk. This automated system monitors and screens all registered suppliers daily. It provides insights, warnings and the ability to track updates and changes to data on global public databases, including information on lawsuits, negative media coverage and other specific risk categories.

In 2023, we onboarded all 1,500 suppliers for risk assessment and due diligence via our third-party screening technology. This represents a spend of over AED 13.7 billion across North America, Europe, the MENA region and Asia.

When our screening technology detects a high-risk supplier, we seek to mitigate the risk by engaging further through due diligence questionnaires. We also reserve the right to audit our suppliers, though contractual compliance clauses.

To date, all our strategic suppliers have been assessed. While our assessment system is mainly used by our UAE operations, most of our Group suppliers have been assessed. Our Afghan subsidiary uses the same system, and we hope to increase synergies across the Group over time.

e& takes a zero-tolerance stance to human rights violation within the value chain. We reserve the right to terminate business with suppliers that breach these policies as well as suppliers that fail to take corrective action within an agreed timeline. In 2023, no suppliers were terminated due to negative environmental or social impacts.

In Country Value programme

In line with the UAE Federal Government programme that aims to boost economic performance and support local industries by redirecting higher portions of public spending into the national economy, we also evaluate suppliers' In-Country Value (ICV), which represents their presence across the UAE. While this is not new, 2023 saw the development of a green ICV by the Ministry of Industry and Advanced Technologies, aiming to reward suppliers' environmental practices. e& was the first company in the UAE to adopt the green ICV evaluation process.

Performance evaluation and recognition

Our dedication to sustainability goes beyond mere acknowledgment. It extends to the recognition and rewarding of high-performing suppliers. Through a special award ceremony exclusively designed for our valued partners, we emphasise our view of all collaborators as integral partners in our shared success. This ceremony is intricately linked to performance evaluations, underscoring the significance we attribute to the impactful contributions of our suppliers towards achieving our sustainability objectives.

e& itself also received two CIPS MENA 2023 awards in recognition of its good work in procurement and the supply chain: Best Procurement Transformation Programme and Global Sourcing Project of the Year.

Looking ahead to 2024

As we continue our journey toward a more sustainable supply chain, the focus remains on enhancing ESG integration, supplier collaboration and risk management. The learnings from these discussions will guide our future strategies, ensuring that sustainability remains at the core of our supply chain practices.

Our performance	2021	2022	2023
Total procurement spend (AED million)	11,700	12,932	13,708
Percentage of procurement spend spent on local suppliers (%)	86	83	81
Total new suppliers		310	457
Proportion of new and existing suppliers acknowledging our Supplier's Code of Conduct (%)	n/a our assessment process was initiated in 2023		100
Proportion of spend covered by our screening process, including ESG considerations (%)			100*
Proportion of strategic suppliers covered by our screening, including ESG considerations (%)			100*
Number of strategic suppliers covered by our screening process, including ESG considerations, considered high risk, under ongoing remedial process			8*
Number of strategic suppliers, covered by our ESG screening, terminated due to ESG risks	0	0	0

* The screening is carried out to identify ESG risks as well as other risk categories such as Sanctions, Enhanced Country Risk, Adverse Media, etc.

Human Rights

Definition of material matter:

To us, human rights means protecting and respecting the rights and dignity of those affected by our activities or business relationships, in compliance with applicable legislation and in line with our policies.

Why it is material to e&:

Respecting and upholding the rights of our stakeholders is not just a legal obligation, but a moral imperative for e&. It is embedded in our core values, reflecting our commitment to conducting business responsibly and contributing positively to the communities we serve. It is essential to securing their trust and our licence to operate.

Type of impact:

Positive impacts include creating an inclusive workplace, strengthening human rights in our supply chain and supporting local communities and customers by enabling them to indirectly fulfil certain basic rights through access to connectivity. On the flip side, human right infringement or violation may erode stakeholders' trust and our business reputation, impacting our bottom line.

Value chain impact:

Upstream | Operations | Downstream

Key stakeholders:

Local Communities | Governments | Customers | Employees | Business Partners | Investors | Regulators | Retailers/ Wholesalers | Civil Society | Suppliers | Financial community | Media

Our management approach

Our human rights efforts are governed by our Code of Conduct and our Supplier Code of Conduct in line with applicable laws.

As signatories to the UN Global Compact, we strive to uphold its principles 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.

Our progress in 2023

In its 2019 Report, "An introduction to human rights for the mobile sector"*, the GSMA listed the salient human rights most commonly cited by mobile operators:

- Privacy and freedom of expression
- Child rights and safety online
- Child labour
- Forced labour, modern slavery and human trafficking
- Other labour standards
- Conflict minerals
- Community impacts from building and maintaining infrastructure

As our human rights programme is developed during 2024, we believe that e&'s policy framework already covers key elements.

Our recently developed Group Data Protection Policy has at its core our commitment to treat information of employees, customers, stakeholders and other interested parties with the utmost care and confidentiality. This is in line with e&'s data protection standards and applicable data privacy laws.

Our Code of Conduct and Supplier Code are the bedrock on which our human rights efforts are based within our operations and our supply chain, covering non-discrimination and equal opportunities, modern slavery, child labour, human trafficking, harassment, health and safety and respectful social media behaviour.

Our Group operates across multiple geographies, regulatory frameworks and local contexts. We abide by local laws. While some countries expressly recognise some rights, others might not. This is the situation with some labour rights, such as the freedom of organisation and collective bargaining, which we uphold in nations like Pakistan and Egypt where they are recognised.

Subsequent to our policy work, we have also improved our due diligence process across various aspects of our corporate work. Upstream, we have initiated the assessment of our suppliers through our third-party risk management, which covers social risks.

Our procurement, compliance, and business teams collaborate to ensure that we select, review, conduct standard supplier risk assessments and due diligence and approve and monitor our business partners in line with our established risk management processes.

When it comes to violations of human rights that occur within the value chain, e& adheres to a zero-tolerance policy. We reserve the right to terminate business relationships with suppliers who violate these policies, as well as with suppliers who fail to take corrective action within the timeframe that was agreed upon.

At the other end of our value chain, upstream, we have initiated an ESG due diligence process in our merger and acquisition activities which includes human rights concerns. While this process is still in an early stage, we will strengthen it in 2024 based on lessons learned so far.

Looking ahead to 2024

As we further embed corporate sustainability throughout our Group, we are committed to advancing our human rights agenda. In 2024, we aim to initiate a human rights programme in line with the UN Guiding Principles for Business and Human Rights.

*https://www.gsma.com/betterfuture/wp-content/uploads/2020/05/GSMA_Introduction-to-human-rights_report_2019.pdf

Responsible Commercialisation

Definition of material matter:

Responsible commercialisation pertains to our commitment to providing exceptional experiences across its diverse range of services while communicating and marketing them in a fair and ethical way in line with applicable standards. This commitment is instrumental in fostering long-term relationships and sustaining our reputation.

Why it is material to e&:

Responsible commercialisation is crucial for e& as it directly influences brand loyalty, customer retention and competitiveness. It serves as a key performance indicator reflecting the success of e& in meeting customer expectations.

Type of impact:

Positive outcomes involve increased loyalty and positive word-of-mouth, while negative impacts include dissatisfaction, reduced loyalty and potential harm to the brand. The opportunity lies in enhancing customer satisfaction for increased loyalty and business growth, while the risk is in neglecting these issues, leading to churn and potential harm to the brand reputation.

Value chain impact:

Operations
Downstream

Key stakeholders:

Employees
Customers
Governments
Local Communities

Our management approach

At e&, earning and keeping the trust of our customers is vital to our business success, and we aim to do it the right way. Product and service quality are the backbone of our customer-centric approach, as well as transparent and fair communication and providing feedback opportunities to our customers. These will vary in nature across our operating companies, based on market specifics, business and customer segments and local laws and standards. In this section, we focus on the processes and achievements of our UAE operations.

Progress in 2023

To ensure our offerings address our customers' needs, the product and segment marketing team continuously analyses global telecommunication trends, customer usage behaviour and sales performance analytics to design and update new and existing features. Frontline sales staff undergo regular training to ensure understanding and adherence to regulation, and that best practices are followed and implemented.

e& developed a customer feedback management system, entitled the "CX Change Factory" which tracks and monitors the customer experience and satisfaction across all touch points, including customer care, retail sales, digital apps, website and technical performance. The system also enables us to conduct deep dive analysis on customer's experiences. Feedback is collected via SMS, email or website pop-up survey. All customers are invited to share their feedback on their interaction, along with general comments and recommendations, so that we can improve and meet our customers' expectations.

e&'s customer-facing staff, including 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, thereby providing unique and personalised experiences for customers.

There are various ways in which we measure customer satisfaction:

- A Net Promoter Score (NPS) survey conducted across all products and channels to gauge our customer's NPS from a transactional and relational perspective
- Our retail satisfaction score, measuring customer satisfaction across e& retail stores
- Our first call resolution score, reflecting the quality and efficiency of our call centre
- The ratio of customer complaints resolved to total complaints received

Listening to our customers

Customers can raise their concerns or complaints through multiple digital and traditional communication channels, according to their personal preferences. Channels include retail, inbound voice calls and non-voice channels. Complaints are classified into three categories: technical, billing and customer service. For each complaint category, there are standard operating procedures to be followed depending on the nature of the issue. In all cases, the outcome is communicated to the customer and, once they are satisfied, the complaint is closed in our complaints tracking system.

Product and service quality

To achieve high standards of service and quality, we continuously drive enhancements in the e& network. To cater to the growing customer base, we invested in new base stations, advanced technologies and amped network capacity.

The quality management system is the foundation of all other management systems. Accordingly, e& have established, maintained and implemented our quality management system in line with the ISO 9001:2015 international standard, which as at December 2023 covers almost 50% of e& UAE's certification programmes. e&'s performance improvement and quality assurance management system successfully achieved recertification for ISO 9001:2015 (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.

e& is SAP-certified for infrastructure and cloud services. In addition, the e& IT business unit is certified against ISO 27001:2013 for its 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 the Etisalat payment gateway, payment machine, IVR and self-assisted services (SAS). We are ISO 20001-1:2018 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 a Unified Network Operation Centre (UNOC) that monitors telecommunication services provided to customers along with the underlying infrastructure. The SOC provides immediate solutions in case of service interruption or degradation.

Looking ahead to 2024

As we look to 2024, we plan on developing a groupwide responsible marketing policy, framing our approach to fair and ethical marketing practices, and further evolving our reporting on these practices.

Our performance

Our performance	2021	2022	2023
Number of customer complaints	762,876	534,797 *	411,752
Percentage of customer complaints resolved (%)	96	97	94
Percentage of first call resolution (%)	85	87	73**

* 2022 data was restated to include full year data.
** FCR measurement methodology has been changed in 2023 and cannot be compared with previous years.

Mystery shopper programme

The mystery shopping programme is a continual improvement plan to enhance e&'s customer experience through the evaluation of the entire customer journey process, including the evaluation of the quality of products and services, facilities and operations across all types of customer touch points (direct channels, indirect channels and customer care).

Mystery visits to e& stores are carried out by undercover staff to assess performance, based on the staff members' compliance with the e& customer journey guidelines. It allows us to better understand our customers' needs and meet their expectations. In 2023, the compliance score as measured by the mystery shopping programme improved by 2% compared to 2022, mainly driven by store appearances, staff behaviour, knowledge and sales skills. The mystery shopping programme has a predetermined set of goals and objectives concerning the enhancement of the customer experience. The programme aims to achieve continual improvement to enhance e& customer experience.

Digital Innovation

Definition of material matter:

Digital innovation at e& encompasses the strategic deployment and advancement of digital technologies, processes and solutions to drive efficiency, customer experience and overall business performance.

Why it is material to e&:

Digital innovation is fundamental to e&'s evolution, ensuring relevance and competitiveness in a rapidly changing technological landscape. It allows us to meet evolving customer expectations, enhance operational efficiency and contribute to the broader digital transformation agenda.

Type of impact:

Digital innovation is the opportunity for e& to differentiate from our competitors, grow our customer base and ultimately grow our business.

Value chain impact:

Upstream | Operations | Downstream

Key stakeholders:

Local Communities | Governments | Customers | Employees | Business Partners | Regulators | Civil Society

Our management approach

e& takes a decentralised approach to innovation management. Each business segment and operating company has its own specific innovation development paths and processes. In certain cases, this may mean capitalising on customer feedback to provide enhanced or new services and products, while in others acquire new businesses or solutions with the aim to capitalise on their innovation.

Progress in 2023

Strategic acquisitions and technological breakthroughs

In 2023, e& achieved key milestones in digital innovation. Highlights included acquiring a majority stake in PPF Telecom, investing in Vodafone and launching "EASE", the first AI-powered autonomous telecommunication store. We solidified our position as a global technology group with the 100% acquisition of Telenor Pakistan by PTCL Official, enabling us to broaden the customer base and accelerate investments in network infrastructure and digital technologies.

Our expansion into new sectors, including electric vehicle charging networks and entertainment, demonstrated an ongoing commitment to innovation. Simultaneously, e& UAE operations achieved a milestone with the world's first ultra-high-speed 1.6Tbps per wavelength technology trial on an optical transport network. This advances us towards the 100T network platform, supporting the 10 Giga UAE initiative. Collaboration with Huawei underscores our dedication to providing advanced network infrastructure in the UAE.

ESG and sustainability taking centre stage

As ESG and sustainability took centre stage, e& actively participated in COP28, aiming to achieve zero carbon emissions across our own operations by 2040. Deploying net zero 5G Massive MIMO sites, securing our first green loan, transitioning to electric vehicles and further developing our sustainability services supported by AI driven technology underscores our dedication to environmental responsibility.

Partnerships and recognition

Our efforts received abundant recognition in 2023, from being recognised as MEA's most valuable portfolio of telecommunication brands to Tier 4 certification from the World Teleport Association. Awards at prestigious events like Carrier Community Global Awards, GCC Gov HR Awards, ALB Middle East Law Awards and Middle East Investor Relations Association Awards highlighted our industry leadership. We were also awarded Fast Company, "Most Innovative Companies in the Workplace, MENA" in 2023.

Looking ahead to 2024

As we look forward to 2024 with optimism and excitement, we extend our heartfelt thanks to investors, business partners and the diverse e& family comprising of close to 58,000 employees. Their invaluable contributions continue to drive our journey towards digital innovation, sustainability and a positive impact on society.

Network Availability

Definition of material matter:

Network availability is a crucial component in the landscape of e&'s material matters. Ensuring the resilience and sustainability of our digital infrastructure directly aligns with our commitment to uninterrupted services, meeting our regulatory requirements, our customer expectations and contributing to broader digital transformation initiatives.

Why it is material to e&:

In an increasingly connected world, the resilience and sustainability of digital infrastructure is crucial for e&. It aligns with our commitment to providing uninterrupted services, meeting customer expectations and contributing to the broader digital transformation.

Type of impact:

Given the direct influence on the performance and reliability of digital services, the impact is actual. It presents both positive outcomes, such as improved customer satisfaction, and potential negatives, like service disruptions.

Value chain impact:

Operations

Downstream

Key stakeholders:

Local Communities

Governments

Customers

Employees

Regulators

Our management approach

Our telecommunications business operates in a highly regulated environment, which can vary across the countries in which we work. Our governance structures involve clear delineation of responsibilities, compliance with applicable regulations, adherence to industry standards and continuous monitoring to identify and address potential challenges promptly, to ensure the reliability and sustainability of our digital infrastructure.

e& UAE 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's telecommunications regulatory framework.

The aim is to always ensure that etisalat by e& staff members across all departments are aware of and adhere to the Telecommunications Digital Regulatory Authority's (TDRA) regulatory obligations. Employees can report any potential breaches as part of these measures and controls. e& UAE'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 telecommunications regulatory framework.

Progress in 2023

e& achieved significant milestones as a trailblazer in the deployment of cutting-edge technologies, encompassing 2G, 3G, 4G, and 5G. Notably, we played a pioneering role in launching the first broadband network in the Middle East, actively contributing to the evolution of digital connectivity. This commitment to technological advancement has positioned e& as a key player in the dynamic digital landscape.

Meeting the escalating demand for seamless communication remains an ongoing challenge, one that e& addresses by providing state-of-the-art network technologies. Additionally, ensuring the environmental sustainability of network infrastructure is a focal point, prompting e& to actively address this concern by deploying carbon-neutral 5G radio sites, as showcased during COP28 UAE.

Amid these achievements and challenges, e& maintained a prominent presence in discussions surrounding the applications and regulation of AI. In recent engagements, the Company highlighted critical factors pivotal to AI, such as connectivity, access to large data storage, formidable computing power and the imperative for sustainable energy. This commitment aligns with e&'s broader vision for the responsible and forward-looking deployment of technology.

Connectivity, as a cornerstone for AI, has witnessed remarkable progress in advanced markets like the UAE and the Kingdom of Saudi Arabia, with e& actively contributing to the connectivity agenda in emerging markets.

Looking ahead to 2024

As e& navigates these challenges and builds on its achievements, the Company remains dedicated to shaping a positive future.

Our performance	2023
Total subscribers in millions (Group)	>170
Total subscribers in millions (UAE)	14.2
Number of wireless subscribers (UAE)	12.6
Number of wireline subscribers (UAE)	0.3
Number of broadband subscribers (UAE)	1.4
Leading mobile network, download speeds (mbps, UAE operations)	313
5G penetration in the UAE (% of population)	>99
FTTH Penetration in the UAE (%)	98

Looking Ahead

e& is moving from a regional to a global presence. We envision creating the digital future by empowering digital societies through our networks and products. 2023 was a breakthrough year for our vision, expanding Company horizons with a number of ground-breaking commercial partnerships and acquisitions across Europe, the Middle East and Asia while at the same time investing in some of the most exciting and promising start-ups.

For e& to make that vision a reality, the Group must become a sustainability leader. To be fit for purpose, becoming a regional leader and in time an international influence – that is our ambition.

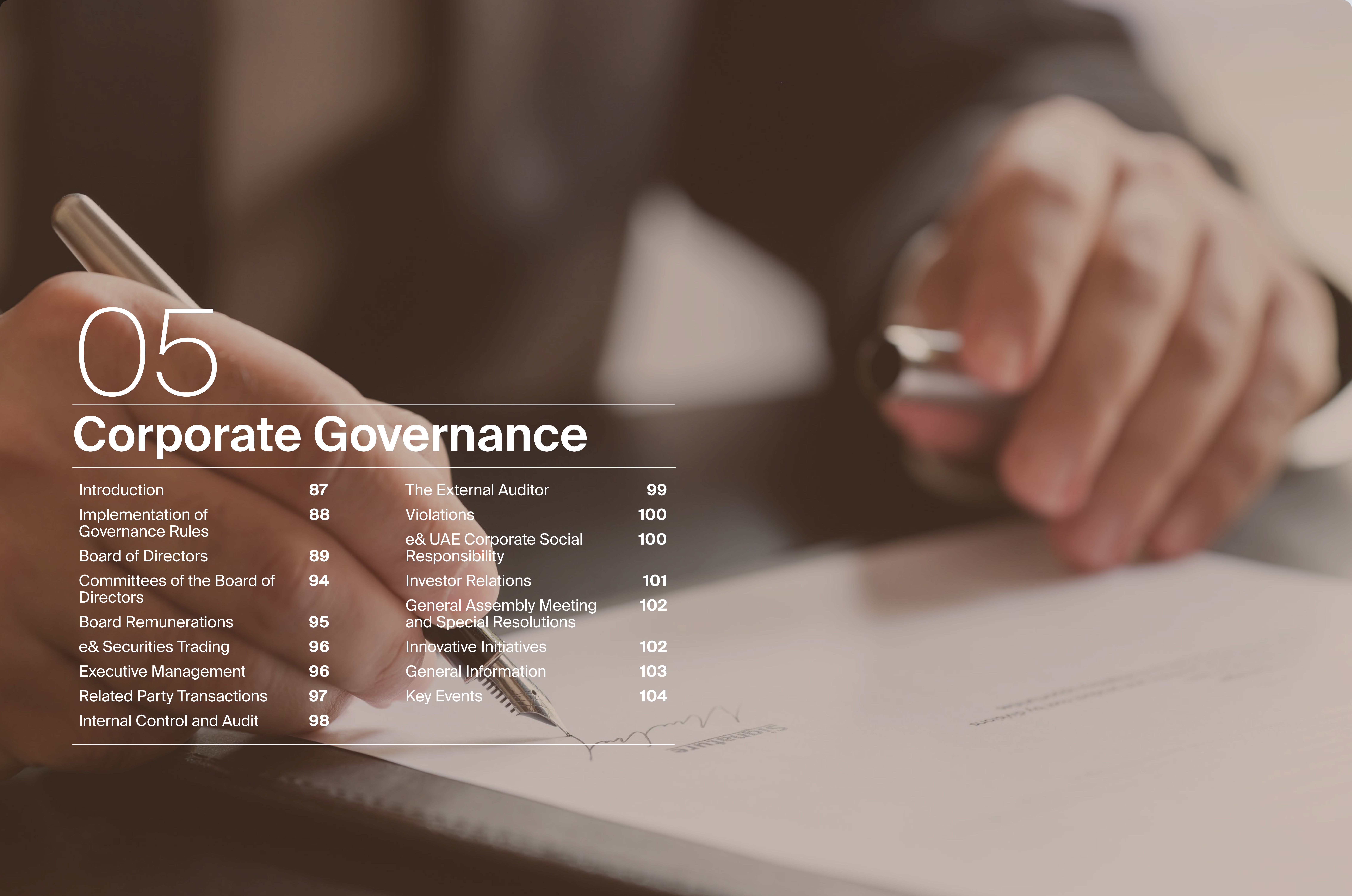
In 2023, we took some significant steps, including the appointment of a dedicated Sustainability team, creating appropriate governance processes and guidelines, seizing the opportunity of the COP28 conference to deliver ambitious externally approved planet commitments as well as a new and fresh outlook on our non-financial information, as outlined in this report.

Looking to 2024, we will continue to build the Sustainability programme across the entire Group. We will publish a Climate Transition Plan, deliver Project Life, embed our Sustainable Procurement Programme, refresh our diversity targets and announce new plans for our equity and inclusion programmes. We will implement changes to improve the relevance and quality of our non-financial data with the ambition to align this data with our financial data's scope and quality.

Given e&'s footprint, its emerging markets knowledge, its world capabilities in AI, digital infrastructure and networked intelligent devices, we will be reviewing our sustainability strategy in 2024 with a view to launching a new and ambitious approach to 2030. We recognise that digital is the base of the pyramid for the solutions required to address some of the most pressing problems humanity faces. We want to make the most of this opportunity, delivering transformative solutions and in time becoming a truly globally respected power in the telco / techco world for our sustainability commitments and what we have delivered.

Thank you for reading this report, and special thanks to the ESG / Sustainability "factory" of colleagues from across e& Group who are making this vision a reality.

Andrew Dunnett
Senior Vice President, Sustainability



05

Corporate Governance

Introduction

Emirates Telecommunications Group Company PJSC ("e&" or the "Company") 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 2023.

Implementation of Governance Rules

The corporate governance has witnessed an overwhelming attention and has become one of indispensable substantial requirements for the public joint stock companies. Thus, e& 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& operates:

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 includes all the provisions and controls which stipulate the criteria and procedures for such membership. It also explains 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 sets an election mechanism for Board membership and defines the cases of membership expiry/termination and filling the vacant seats of the Board of Directors.

2. Insider Security Trading Policy

The Company has introduced this policy to set out the controls governing the trading in e& 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://www.eand.com/en/investors/share-information.html

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.

4. External Auditor Appointment Policy

e& 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 dismissal, 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.

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. This Policy can be viewed via the following link:

https://www.eand.com/en/investors/dividends.html

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 defines the confidential information in terms of its nature and how to be treated and preserved. It further clarifies the bases for the communications with other parties.

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.

8. Board Remuneration Policy

This policy sets clear rules, which provide the basis for remunerations of Chairman and Board Members of e&. 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 tackles the retainer fees of the Board of Directors and its committees. 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 April 11th, 2023.

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.

The Board of Directors comprises of eleven members. The Government Shareholder (Emirates Investment Authority "EIA" 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. e& Board is distinguished by having none of the executive management in its membership and, according to the Company›s Articles of Association, Group Chief Executive Officer may not, while in position, sit on e& Board. Also, out of e&'s eleven Board members, eight (8) are independent (i.e.73%).

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).

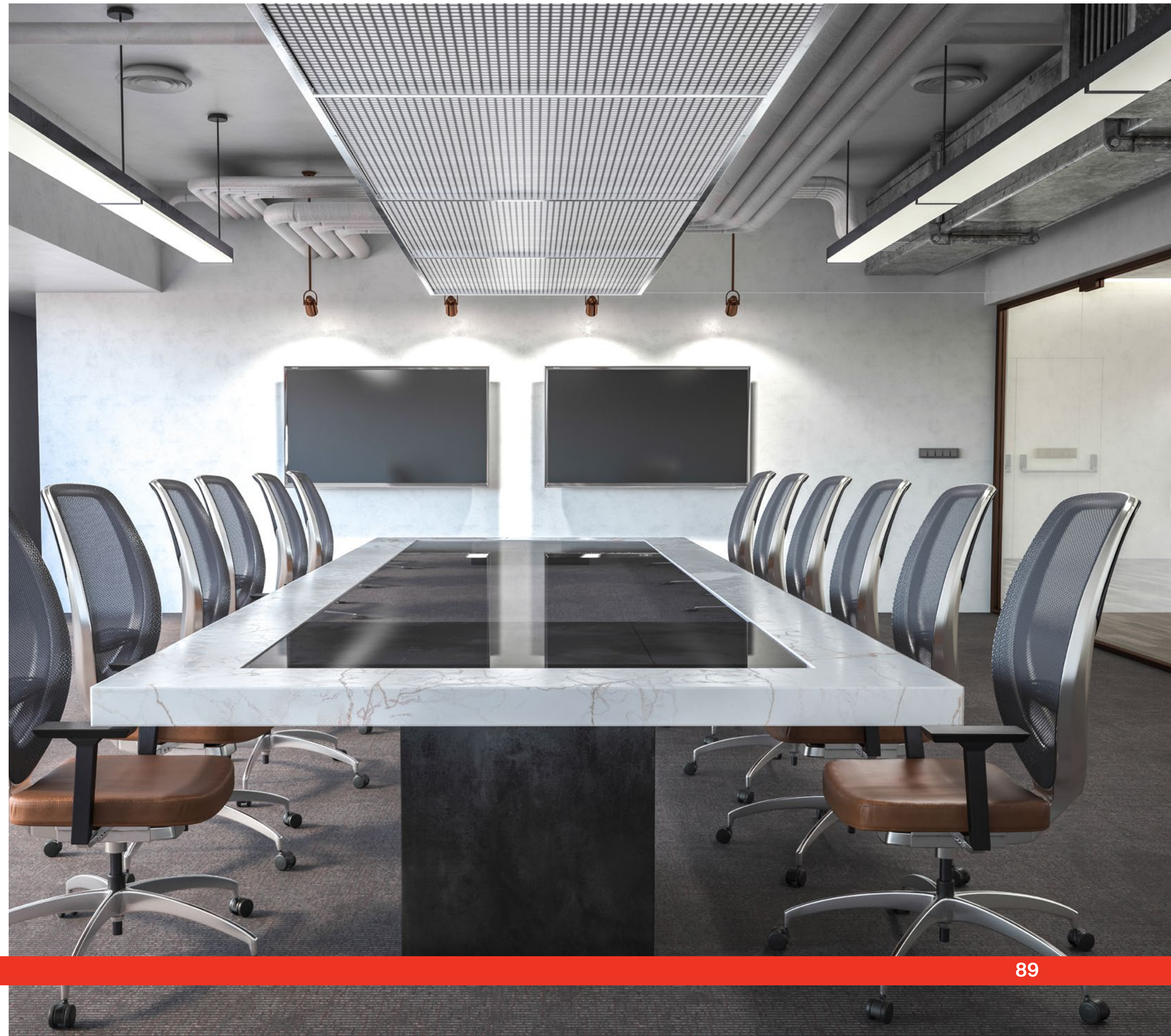
The Board constantly works on enhancing its performance; therefore, an effectiveness review is conducted for the Board and its Committees. In 2023, the review was conducted by an international consultancy firm. This review covers the Board composition and structure, its roles and accountability, its culture and dynamics, its process and practices and its relation and interaction with the management. It also looks at the important matters that needs focus and enhancement. Further, training courses and workshops were held for the Board which tackled numerous subjects, among which was a training in Environmental, Social and Governance (ESG) that was attended by seven (7) Board members.

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:

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

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:

Name	Roles in the Board & Committees	Membership Capacity	Date of Accession to the Board
Sheikh Ahmed Mohd Sultan Al Dhahiri	Board Member AC Member	Non-Executive & Non-Independent	April 2000
Abdelmonem Bin Eisa Alserkal	Board Member IFC Member	Non-Executive & Non-Independent	March 2012
Khalid Abdulwahid Hassan Alrustamani	Board Member RC Member	Non-Executive & Independent	March 2015
Otaiba Khalaf Ahmed Al Otaiba	Board Member NRC Member	Non-Executive & Independent	March 2015



Board of Directors (continued)

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, ESG etc. Below are the profiles of the Board members:

H.E. Jassem Mohamed Bu Ataba Alzaabi

Chairman, e&

H.E. Jassem Alzaabi has a Master's Degree in Business Administration from London Business School. H.E. Alzaabi currently holds the following positions:

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

Essa Abdulfattah Kazim Al Mulla

Vice Chairman, e&

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 Smart University

Hesham Abdulla Qassim Al Qassim

Board Member, e&

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
- Vice Chairman and Managing Director - Emirates National Bank of Dubai 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
- Board of Trustees – Mohammed Bin Rashid Al Maktoum Global Initiatives "1 Billion Meals Endowment"

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 and Gulf Capital.

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, National Takaful Co. "Watania" and Zayed University 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.

Board of Directors (continued)

Michel Combes
Board Member, e&

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

- Executive Vice President – Claure Group
- Board Member - Philip Morris International
- Board Member - Swile
- Board Member – Espace Inc
- Board Member – F5 Inc
- Chairman & CEO – MC Conseil

Further, he previously held the following positions:

- Board Member – Contentsquare
- Board Member - Assystem
- President and CEO - SoftBank Group International
- Board Member - CTIA, a national trade association representing the wireless communications industry in the United States
- President and CEO – Sprint
- Board member – Sprint
- CEO – Altice
- Chief Operating Officer – Altice
- Chairman and CEO - SFR Group
- CEO - Alcatel-Lucent, beginning in April 2013
- CEO - Vodafone Europe
- Chairman and CEO - TDF Group
- Chief Financial Officer and Senior Executive Vice President - France Telecom

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 Ahmed Al Mansoori
Board Member, e&

H.E. Mansoor Al Mansoori 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 currently holds the following positions:

- Member - Abu Dhabi Executive Council
- Chairman - Department of Health in Abu Dhabi
- Board Member - AIQ
- Board Member - Multiply
- Member of Board of Trustees - Mohamed bin Zayed University of Artificial Intelligence (MBZUAI)
- Board Member – Advanced Technology Research Council

Further, he previously held the following positions:

- Group Chief Operating Officer - Group 42 Holding
- Chairman of the Board - Injazat
- Chairman - Bayanat
- Director General - UAE National Media Council
- Board Member - Abu Dhabi Tourism and Culture Authority
- Board Member - Emirates Palace Company

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.

Board of Directors (continued)

Abdelmonem Bin Eisa Alserkal
Board Member, e&

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:

- Founder - Alserkal Avenue
- Managing Director - Nasser Bin Abdullatif Alserkal Est.
- Advisory Board Member - Tharawat Family Business Forum
- Board of Patrons - Art Dubai
- Member - The British Museum's Contemporaryand 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
- Member - Dubai Collection Steering Committee
- Honorary Chairman of the Board - Ishara Foundation
- Advisory Board Member - New York University, Abu Dhabi

Khalid Abdulwahid Hassan Alrustamani
Board Member, e&

Mr. Khalid Alrustamani holds a Bachelor's Degree in Finance from George Washington University, Washington D.C., U.S.A. He is currently holding the following positions:

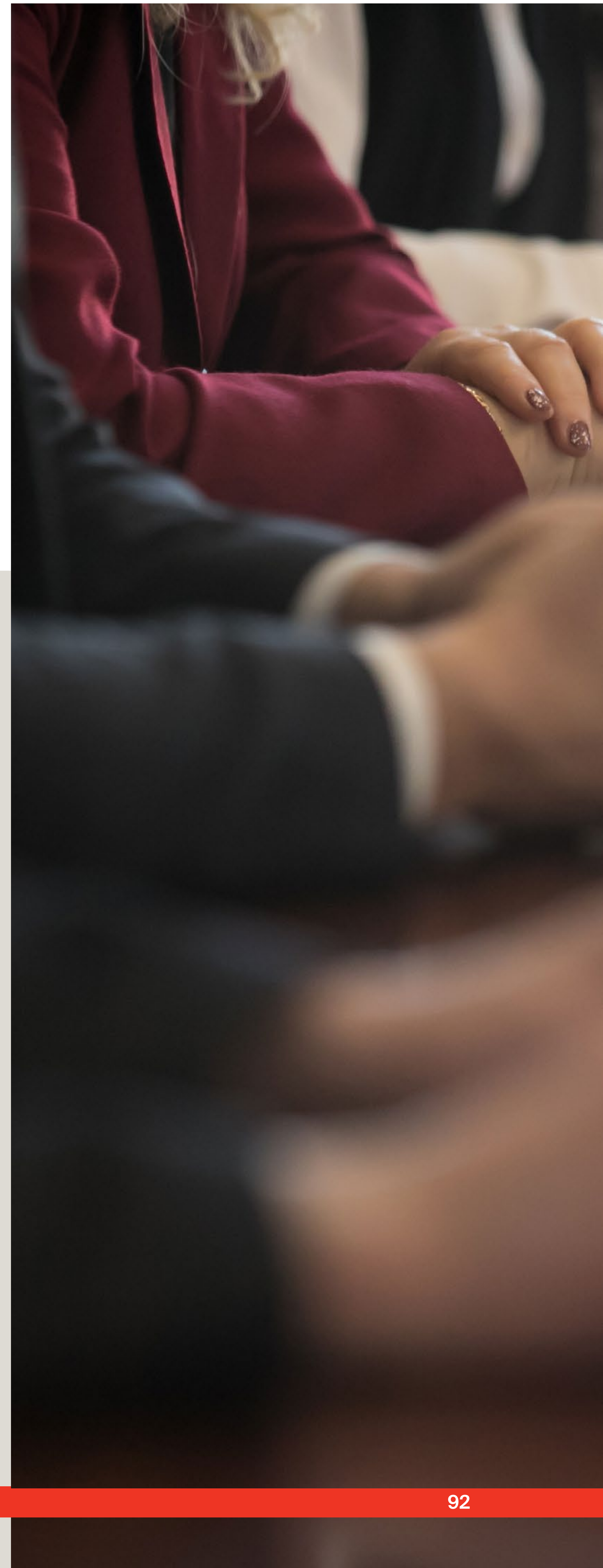
- Chairman and CEO - AW Rostamani Group
- Board Member & Member of Executive Committee -Commercial Bank of Dubai
- Board Member - Dubai Insurance Company

Otaiba Khalaf Ahmed Al Otaiba
Board Member, e&

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.



Board of Directors (continued)

Group Corporate Secretary and Board Rapporteur, e&

Mr. Hasan Al Hosani has a vast experience in the legal field spanning more than 24 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 Al Hosani 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.

Board Members' Skill & Diversity Matrix

Skills/Experience/ Diversity	H.E. Jassem Alzaabi	Essa Kazim	Hesham Al Qassim	Mariam Ghobash	Michel Combes	Saleh Alabdooli	H.E. Mansoor Al Mansoori	Sheikh Ahmed Al Dhahiri	Abdelmonem Alserkal	Khalid Alrustamani	Otaiba Al Otaiba
Board of Directors experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Telecom Experience	✓	–	✓	–	✓	✓	✓	–	–	–	–
IT/Digital/Cyber Experience	✓	–	–	–	✓	✓	✓	–	–	–	–
CEO/Business Head	✓	✓	✓	✓	✓	–	✓	–	✓	✓	✓
International Experience	–	–	✓	–	✓	✓	✓	–	–	✓	–
Human Capital Management/ Compensation	–	–	✓	✓	✓	–	–	–	–	–	–
Finance/Capital Allocation/Business Finance	✓	✓	✓	✓	✓	✓	✓	–	✓	✓	–
Financial Literacy/Accounting (Audit Committee or Financial Expert)	✓	✓	✓	✓	✓	✓	✓	–	✓	✓	–
Risk Management	✓	✓	✓	✓	✓	✓	✓	–	✓	✓	–
Government/ Public Policy	✓	✓	✓	✓	✓	–	✓	–	–	–	✓
Marketing/Sales	–	–	✓	–	✓	–	✓	–	–	✓	–
Environmental Science/Policy/ Regulation	–	✓	–	–	–	✓	–	–	–	–	–
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	–	–	–	–
ESG Experience	–	✓	✓	–	✓	✓	–	–	–	–	–
Academia/Education Experience	–	✓	✓	✓	–	✓	✓	–	–	–	–
Business Ethics	–	✓	✓	–	✓	✓	✓	–	–	✓	–
Real Estate	–	–	✓	✓	–	–	–	–	✓	✓	–
e& Board Tenure (years)	3	12	9	6	3	3	3	24	12	9	9
Nationality	UAE	UAE	UAE	UAE	France	UAE	UAE	UAE	UAE	UAE	UAE
Gender	Male	Male	Male	Female	Male	Male	Male	Male	Male	Male	Male
Age (years)	49	64	50	40	61	59	41	52	54	56	49

Meetings of the Board of Directors

The Board of Directors held six meetings during 2023. The below table shows the Board members' attendance at these meetings:

Name	6 Mar	28 Mar	2 May	1 Aug	31 Oct	12 Dec
H.E. Jassem Mohamed Obaid Alzaabi	✓	✓	✓	✓	✓	✓
Essa Abdulfattah Kazim Almulla	✓	✓	✓	✓	✓	✓
Hesham Abdulla Qassim Al Qassim	✓	✓	✓	✓	✓	✓
Mariam Saeed Ahmed Ghobash	✓	✓	✓	✓	✓	✓
Michel Combes	✓	✓	✓	✓	✓	✓
Saleh Abdulla Ahmed Alabdooli	✓	✓	✓	✓	✓	✓
H.E. Mansoor Ibrahim Ahmed Almansoori	✓	✓	✓	✓	✓	✓
Sheikh Ahmed Mohd Sultan Aldhahiri	✓	✓	✓	✓	✓	✓
Abdelmonem Bin Eisa Alserkal	✓	✓	✓	✓	✓	✓
Khalid Abdulwahid Hassan Alrustamani	✓	✓	✓	Proxy to Chairman	✓	✓
Otaiba Khalaf Ahmed Alotaiba	✓	✓	✓	✓	✓	✓

* The Board of Directors passed eight (8) resolutions by circulation in 2023 and it looked at the subjects of these resolutions on the following dates: 25 January, 5 April (two resolutions), 22 May (two resolutions), 19 June (two resolutions) and 7 September.

Committees of the Board of Directors

e& 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 an independent and non-executive Board member.

Audit Committee ("AC")

To implement the adaptive management structure, an Audit Committee has been constituted. The Committee's function is to assist the Board of Directors in various sectors, fulfilling its obligations in accordance with its Charter. The Charter serves as a formal directive from the Board, conferring specified duties and responsibilities to the Audit Committee. These duties must be executed in strict compliance with the country's existing laws and regulations. Moreover, the Charter elucidates the Committee's powers and roles, its formation process, the conditions for holding its meetings, and the necessary quorum. It also delineates the protocols for the Committee's decision-making processes.

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&. Further, the Committee assists the Board in monitoring the extent to which the Company abides by code of conduct rules.

Moreover, the AC is responsible for approving and monitoring the implementation of the Internal Audit, and Ethics and Compliance plans. This includes overseeing the audit of data privacy and security, Sustainability review including Environmental Social and Governance (ESG), and supplier compliance. The AC has an oversight and responsibility for issues related to business ethics and ensuring compliance with e&'s Code of Conduct and other Ethics & Compliance policies. The Code of Conduct is a publicly-facing document which includes various standards, provisions and requirements to ensure adherence to all applicable laws and regulations. The Code of Conduct also sets out e&'s commitment to ensuring all workers receive fair and equal treatment and prohibits the use of any form of forced, bonded, slavery, human trafficking or child labour within our operations or any part of our supply chain. The AC reports all relevant matters including high risks and major control gaps to the Board.

The AC is 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 and one member elected by the General Assembly. The fourth Committee member is an independent external member (Mr. Salem Al Dhaheri). He has over 30 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 imperative to acknowledge that every member of the Committee demonstrates extensive proficiency and specialization in audit, risk, financial, and accounting domains. This proficiency stems from their distinguished academic qualifications, their memberships in the boards of directors of major companies and institutions and the senior administrative and senior administrative or executive roles they occupy, as detailed in their individual profiles.

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.

AC Meetings

The Committee held nine (9) meetings in 2023. The meetings' attendance by the Committee members was as follows:

Name	23 Jan*	9 Feb	13 Feb	28 Feb	1 May	28 Jul	23 Oct	30 Oct	11 Dec
Mariam Saeed Ahmed Ghobash (AC Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓	✓
H.E. Mansoor Ibrahim Ahmed Al Mansoori	✓	✓	✕	✓	✕	✕	✓	✓	✓
Sheikh Ahmed Mohd Sultan Al Dhahiri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Salem Sultan Al Dhaheri (External Member)	✓	✓	✓	✓	✓	✓	✓	✓	✓

*AC-NRC joint meeting

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 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 Chairperson. 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.

RC Meetings

The Committee held four (4) meetings in 2023. The meetings' attendance by the Committee members was as follows:

Name	31 Jan	10 Apr	11 Jul	26 Oct
Hesham Abdulla Qassim Al Qassim (RC Chairman)	✓	✓	✓	✓
Essa Abdulfattah Kazim Al Mulla	✓	✓	✓	✓
Saleh Abdulla Ahmed Alabdooli	✓	✓	✓	✓
Khalid Abdulwahid Hassan Alrustamani	✓	✓	✕	✓

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 e& 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 or the Committee, according to the adopted authority matrix, approves the compensations and remunerations of the group chief executive officer as well as e& key executives. 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 e& strategy of attracting and retaining the talented staff in order to achieve the best results. The Committee also reviews the Company'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 NRC assists the Board in 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 e& material business risks in relation to ESG as well as risk management strategies and the controls of these risks. Also, e& 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.

Committees of the Board of Directors (continued)

NRC Meetings

The Committee held eight (8) meetings in 2023. The meetings' attendance by the Committee members was as follows:

Name	23 Jan*	21 Feb	6 Mar	4 Apr	18 Jul	26 Sep	21 Nov
Michel Combes (NRC Chairman)	✓	✓	✓	✓	✓	✓	✓
Essa Abdulfattah Kazim Al Mulla	✓	✓	✓	✓	✓	✓	✓
H.E. Mansoor Ibrahim Ahmed Al Mansoori	✓	✓	✓	✓	✕	✕	✓
Otaiba Khalaf Ahmed Al Otaiba	✓	✓	✓	✓	✓	✓	✓

*NRC held two meetings on 23 Jan. One of them was an AC-NRC joint meeting.

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 and technology industry and has a shareholding in many companies such as "Maroc Telecom", e& UAE, e& Egypt, "Mobily" and many other companies. This necessitated the Board to constitute this Committee to assist it in undertaking its duties pertaining to such 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 management-free and 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.

IFC Meetings

The Committee held eight (8) meetings in 2023. The meetings' attendance by the Committee members was as follows:

Name	14 Feb	28 Mar	4 Apr	2 May	18 Jul	1 Aug	26 Sept	12 Dec
H.E. Jassem Mohamed Obaid Alzaabi (IFC Chairman)	✓	✓	✓	✓	✓	✓	✓	✕
Hesham Abdulla Qassim Al Qassim	✓	✓	✓	✓	✓	✓	✓	✓
Mariam Saeed Ahmed Ghobash	✓	✓	✓	✓	✓	✓	✓	✓
Michel Combes	✓	✓	✓	✓	✓	✓	✓	✓
Abdelmonem Bin Eisa Alserkal	✓	✓	✓	✓	✓	✓	✓	✓

Board Remunerations

The remunerations of Board members are lump sums submitted to the General Assembly for approval via Board recommendation. e& Articles of Association, which was promulgated by virtue of Cabinet Resolution No. 29 of 2015, as amended, linked the remunerations of the Board of Directors to the Company's performance where such remunerations are 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 2022 amounted to AED 32,594,000, while the Board remunerations for the year 2023 amounted to AED 28,578,000, which constitute around 0.26% of the net profit after deducting both depreciations and reserves. It is worth mentioning here that the Board members did not receive attendance allowance for Board and its Committees' meetings.

Below are the details of Committee membership fees for each member:

Board Member	IFC	NRC	AC	RC
H.E. Jassem Mohamed Obaid Alzaabi	926	–	–	–
Essa Abdulfattah Kazim Al Mulla	–	463	–	309
Hesham Abdulla Qassim Al Qassim	772	–	–	370
Mariam Saeed Ahmed Ghobash	772	–	370	–
Michel Combes	772	370	–	–
Saleh Abdulla Ahmed Alabdooli	–	–	–	463
H.E. Mansoor Ibrahim Ahmed Al Mansoori	–	463	309	–
Sheikh Ahmed Mohd Sultan Al Dhahiri	–	–	463	–
Abdelmonem Bin Eisa Alserkal	772	–	–	–
Khalid Abdulwahid Hassan Alrustamani	–	–	–	463
Otaiba Khalaf Ahmed Al Otaiba	–	463	–	–

* All values in thousand dirham
** There is no attendance fee for the Committee meetings.

e& Securities Trading

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, Vice Chairman and Members of the Board of Directors and their spouses and children since they are subject to the above-mentioned policy given that they are deemed part of the Insiders' definition including, Chairman, Vice 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 2023 and their holding of such shares as of the end of the year:

Name	Position/ Kinship	Shares Held as at 31/12/2023	Total Sold Shares in 2023	Total Purchased Shares in 2023
H.E. Jassem Mohamed Obaid Alzaabi	Chairman	2,010,357	0	0
Essa Abdulfattah Kazim Al Mulla	Vice Chairman	0	0	0
	Spouse	241,595	0	0
Hesham Abdulla Qassim Al Qassim	Board Member	0	0	0
	Spouse	110,000	0	0
	Son	4,202	0	0
	Son	5,302	0	0
	Daughter	5,302	0	0
	Daughter	5,852	0	0
	Daughter	4,202	0	0
	Daughter	4,752	0	0
Mariam Saeed Ahmed Ghobash	Board Member	0	0	0
Michel Combes	Board Member	0	0	0
Saleh Abdulla Ahmed Alabdooli	Board Member	30,184	0	0
H.E. Mansoor Ibrahim Ahmed Al Mansoori	Board Member	0	0	0
Sheikh Ahmed Mohd Sultan Al Dhahiri	Board Member	14,519	0	0
	Spouse	459,224	0	0
Abdelmonem Bin Eisa Alserkal	Board Member	2,688,561	0	0
Khalid Abdulwahid Hassan Alrustamani	Board Member	319,983	0	0
Otaiba Khalaf Ahmed Al Otaiba	Board Member	12,313	0	0

Executive Management

The Executive Management 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 of 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 remunerate-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 computing the STI. Notably, the Group Chief Executive Officer's scorecard for 2023 includes several components, including ESG.

Salaries and Remunerations of Executive Management

The details of e& key Executive Management members, their joining dates and gross salaries and remunerations paid for the year 2023 are outlined below:

Position	Joining Date	Total Salaries & Allowances	Other Benefits[1]	Annual Bonus for 2023
Group Chief Executive Officer	27-Sep-2015	5,400,000	169,280	9,801,000
Group Chief Financial Officer	01-Aug-2013	2,808,000	1,131,724	3,700,000
Group Chief Operations Officer	02-Sep-1998	2,700,000	210,058	4,500,000[2]
Group Chief Legal & Compliance Officer	26-Dec-2010	1,839,999	326,955	1,800,000
Group Chief Human Resource Officer	24-Nov-2020	2,400,000	97,745	3,000,000
Group Chief Strategy Officer	01-May-2023	1,800,000	1,496,374	2,200,000
Chief Executive Officer, e& UAE	29-Aug-2021	3,144,000	232,827	6,000,000
Chief Executive Officer, e& international	01-Mar-2022	2,750,400	29,400	3,100,000
Chief Executive Officer, e& enterprise	03-Nov-2013	3,000,000	194,755	4,200,000
Chief Executive Officer, e& life	19-Jun-1993	2,995,529	110,000	4,250,000[2]

All values in AED

[1] Other benefits include, as applicable, education reimbursement, vacation allowance, home travel allowance, one-time retention bonus and joining bonus. The employees are also entitled to additional benefits like medical insurance and gratuity or pension (as applicable) and telephone rebate.
[2] It includes the deferred compensations paid in 2023 against the Long-Term Incentive Plan (LTIP) for the cycle 2019-2021.

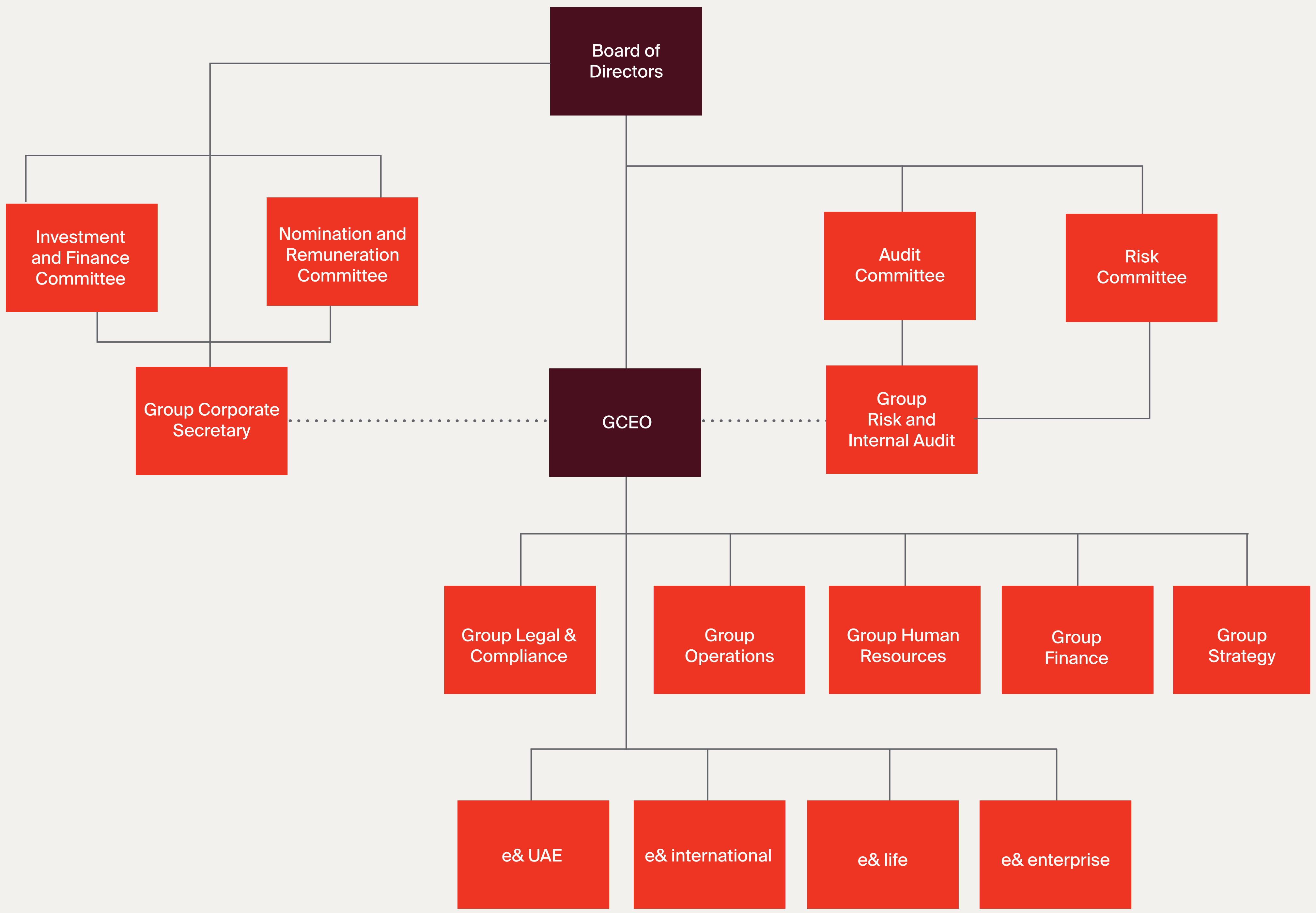
Executive Management (continued)

Nationalisation Rate and 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, as it increased from 51.2% in 2021 to 51.5% in 2022 and hit 52.5% in 2023.

In addition to Emiratisation, we also value gender diversity and as an equal opportunities employer we have actively worked to ensure gender equity in our policies and practices. In 2023, the total female cadre increased to 25.8% from 24.6% in 2022.

e& Organisation Structure



*AC-NRC joint meeting

Related Party Transactions

e& did not conduct any transactions with Related Parties in the year 2023 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://www.eand.com/en/investors/annual-reports.html

Internal Control and Audit

The Board of Directors is responsible for the Company's internal control system, its annual review and ensuring its efficiency. Therefore, they oversee designing, implementing, and maintaining the internal control system, and set the governance roles and frameworks to supervise e&'s risk management and assurance and to ensure the adequacy and effectiveness of the internal control system.

To ensure the optimal application for the internal control and audit requirements, e& has adopted the internationally recognized "three lines" model. Such that, the system of internal control and audit in e& consists of the following three elements:

1. First Line of Defence

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

2. Second Line of Defence

2.1 The Enterprise Risk Management

The Enterprise Risk Management (Risk) function constitutes part of the second line of defence and 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. Risk, alongside other specialized oversight functions, shares the common purpose of contributing to a robust control environment.

Risk engages with stakeholders across the business to maintain effective risk management practices in line with the Board-approved Group-wide Risk Charter, Policies, and Frameworks. Risk provides Management 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 e& Management and the Board 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; and
- Create greater risk awareness and enhance the e&'s ability to respond accordingly.

Risk Management reports directly to the e& Board of Directors which, in turn, has authorized the Risk Committee to oversee Risk Management in e&. The aforesaid supervisory duties of the Committee include, but are not limited to, the establishment and maintenance of:

- A Group Risk Profile that fairly represents the significant risks and opportunities across e& and it's 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 to mitigate unacceptable risk exposures; and
- A risk and compliance culture of continuous improvement in relation to process efficiency and awareness of risk management.

The Group Chief Risk and Internal Audit Officer (GCR&IAO), Mr. Mohamed Dukandar, overseas the functions of Enterprise Risk Management, Internal Audit, Preventative Fraud Risk Management and Special Audit. Mr. Dukandar is a Chartered Accountant (CA), Certified Internal Auditor (CIA) and Certified Control Self Assessor (CCSA) and has experience of over 27 years in the fields of governance, risk management, compliance, insurance and internal audit at reputable companies, especially in telecom industry. Mr. Dukandar is currently a member in the Audit Committees of PTCL, PTML, Etisalat Afghanistan and e& Egypt. Beyond these responsibilities, Mr. Dukandar also plays an integral role in oversight of the governance structure of Etisalat Services Holding. Mr. Dukandar has assumed the role as Group Chief Risk and Internal Audit Officer since 2016.

2.2 Ethics & Compliance

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

The function's main objective is to foster a culture where ethical values and compliance responsibilities take centre stage in decision-making. This involves the following key initiatives:

- Designing and executing an Ethics and Compliance programme that effectively identifies, evaluates, and mitigates risks related to compliance.
- Formulating and executing e&'s ethics and compliance policies and guidelines.
- Encouraging open communication channels for reporting potential ethical breaches.
- Cooperating with various departments to ensure the enforcement of standards and regulations.
- Offering advice to management on the potential effects of new laws and regulations on e&'s operations.
- Advocating a culture of integrity and ethical conduct throughout e& and its Operating Companies.
- Providing information, training, and awareness to promote and embed a compliance culture.

The function is headed by Ms. Brooke Marie Lindsay. She is a highly experienced professional in telecommunications and legal fields, and has served as the Group Chief Legal and Compliance Officer for e& since December 2021. Before this, she was General Counsel for e& International. Prior to joining e& in 2010, she worked with a number of esteemed independent and global law firms. Brooke holds directorial position at the PTCL Group. She has also served as Director in Khazna Data Centers, the iMENA Group and Thuraya Telecommunications Company and as a committee member at Etisalat Nigeria. Brooke is an alumna of Bond University in Australia where she earned a Bachelor's degree in Law and Accounting. Ms. Brooke has been e&'s Compliance Officer since January 2022.

Ethics and Compliance function also reports to the Audit Committee. The supervisory duties of the Committee include, but are not limited to, the establishment and maintenance of:

- 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; and
- Mechanisms to verify adherence to policies and processes for legal and regulatory obligations.

2.3 Preventative Fraud Risk Management

The Preventative Fraud Risk Management (PFRM) team is an essential component of the second line of defence, shouldering the responsibility for identifying and mitigating potential fraud risks across e& while overseeing the verification processes that affirm the efficacy of the internal control environment. The PFRM collaborates closely with other specialized supervisory functions, with the shared objective of strengthening a resilient control environment. The team also sponsors and delivers various initiatives that promote fraud prevention, such as conducting Fraud Risk Assessments across the e& Group, the international fraud awareness week, training and awareness sessions.

3. Third Line of Defence

3.1 Internal Audit

Internal Audit, the third line of defence in e&, provides objective assurance and insight on the adequacy and effectiveness of risk management, internal control and governance processes.

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 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. According to the International Professional Practices Framework (IPPF) developed by The Institute of Internal Auditors (IIA), external assessments should be conducted at least once every five years. This is a practice that is adhered to by Internal Audit.

3.2 Special Audit

The Special Audit Team acts as a crucial part of the third line of defence and a critical cornerstone within the corporate defence mechanism, carrying the essential responsibility of investigating and exposing fraudulent activities within e&. An integral part of this team's function is the establishment and maintenance of a robust whistle-blower program, designed to encourage the reporting of any suspicious activities, guarantee anonymity, and protect whistle-blowers from any form of retaliation. The team collaboratively operates with other specialized oversight entities, with the shared objective of strengthening a fortified and transparent operational environment.

Internal Audit and Special Audit are independent from the Executive Management, reporting directly to the e& Board of Directors which, in turn, authorized the Audit Committee to oversee the Internal Audit and Compliance functions. The aforesaid supervisory duties of the Committee included, but are not limited to:

- Approving the risk-based internal audit plan, activity budget and resource plan;
- Monitoring effectiveness of Internal Audit;
- Studying internal audit reports and follow-up implementation of corrective measures arising from such reports;
- Review and assess internal control and risk management systems in e&;
- Consider the results of primary investigations in internal controlissues;
- Review of the auditor's assessment of the internal control environment; and
- Enable e& staff to confidentially report any potential violations in financial reports, internal control or any other issues and the procedures sufficient for conducting independent and just investigations concerning such violations.

Excellence & Recognition

The function maintained its leadership in Internal Audit throughout 2023, with key staff members participating in the global and regional conferences organized by the professional bodies, e.g., 'IIA's 2023 International Conference' in Amsterdam, the 'IIA's Regional Conference' in Dubai, the 'IIA's Great Audit Minds conference' in Abu Dhabi, and the regional conference of the 'Association of Certified Fraud Examiners' held in Dubai. In 2022, the function won the 'Leading Practice Award' from the IIA-UAE. Furthermore, prior to 2022, the Internal Audit department has been acknowledged with accolades at global and regional professional conferences organised by the IIA. These participations and awards reflect the function's dedication to excellence, continuous improvement, and its recognition for implementing practices and standards.

It is the vision for Risk and Assurance to become a professional practice leader across the technology industry and the risk and audit profession.

Internal Control and Audit (continued)

Reporting to those Charged with Governance
For 2023, thirteen (13) risk and audit reports have been shared with the Audit Committee, which included; an annual report summarizing the assurance activities for the year, quarterly reports on Internal Audit and Special Audit & Investigation activities. Further, six Risk Management reports have been shared with the Risk Committee, which included; quarterly reports on the company risk profile and a report on the ERM charter and policies. On an annual basis, a risk-based Assurance plan is developed and submitted to Risk and Audit Committees for approval. e& Group Ethics and Compliance team provides timely and reliable confirmation of the viability, efficacy, and effectiveness of controls to ensure compliance with legal and ethical standards. This includes:

- Conducting an annual assessment of the efficiency and effectiveness of the Ethics and Compliance Programme.
- Updating the Management and the Audit Committee on the state of the Ethics and Compliance Programme. This involves reporting significant compliance risks, non-compliances, control issues, and the progress made in rectifying any deficiencies.

In 2023 the Ethics and Compliance Function presented a total of eleven reports to the Audit Committee. These include:

- An annual report summarising the Function's activities for the year.
- Four quarterly Ethics and compliance reports.
- Two compliance review implementation status reports.
- Three ISO 37001 ABMS-2023 – certification audit reports.
- One in-country independent third-party review.

Key Risk & 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.
- 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&. 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. In 2023, Internal Audit provided assurance over key themes, which included:

- Cyber and information security.
- Data governance.
- Emerging technologies.
- IT governance and compliance.
- Regulatory and compliance.
- Network and technology.
- Human Resources (HR).
- Financial performance and Revenue protection.
- Governance.
- Sustainability.
- Customer Experience.

Risk, Internal Audit and Compliance are not aware of any material misstatements or irregularities faced by the Company that have not been disclosed in 2023 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, e& General Assembly annually approves the appointment of the external auditor and determines its fees, based on a recommendation from e& Board after tendering process led by Internal Audit and Enterprise Risk Management Department. Hence, the AGM meeting held on 11th April 2023 approved the appointment of "KPMG Lower Gulf Limited" as the Company's external auditor for the year 2023. This firm has been assuming these duties since 2018 and Mr. Mobeen Chaudhry has been e& auditing partner since changing the former partner in 2021.

KPMG is a global organization of independent professional services firms providing Audit, Tax and Advisory services across a wide range of industries, Government, public sector agencies and non-profit sectors.

KPMG firms operate in 143 countries and territories and have more than 273,000 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 Limited, an English private company limited by guarantee. KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms but does not provide professional services to clients.

KPMG is widely represented in the Middle East: along with offices in the UAE and Oman, the firm operates in Saudi Arabia, Bahrain, Kuwait, Qatar, Egypt, Jordan, Lebanon, Palestine and Iraq. The KPMG member firm in the UAE, along with the Oman member firm, are associated with KPMG Lower Gulf Limited. Established in 1973, KPMG Lower Gulf Limited consists of 1,700 staff members, including over 150 partners and directors, across nine offices.

KPMG Lower Gulf Limited 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.

External Audit Fees, Services & Costs
Below are the details and breakdowns of the external audit fees and other advisory services fees incurred during 2023 for Emirates Telecommunications Group Company PJSC (i.e. the Parent Company):

- The external audit services' fees for 2023 are amounting to AED 2,510,070. 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 the Parent Company's External Auditor in 2023 other than the audit tasks are amounting to AED 1,945,571. These fees are for updating the Global Medium Term Note (GMTN) & audit of regulatory financial statements for the Parent Company.
- The fees paid/payable for services which were delivered in 2023 by other audit firms– other than the Parent Company's external auditors – are amounting to AED 26,399,728. These fees were against advisory services. The companies which delivered these services were as follows:

  i. Pricewaterhouse Coopers
  ii. Deloitte & Touche Middle East
  iii. Ernst & Young

External Audit Qualified Opinions on Interim & Annual Consolidated Financial Statements of the Year 2023
The external auditor did not state any qualified opinions on the interim and annual consolidated financial statements of the year 2023.

Violations

During the year 2023, the Company received two violation decisions from the Telecommunications and Digital Government Regulatory Authority (TDRA) as follows:

- One violation decision in relation to mobile number portability instructions.
- One violation decision in relation to call spoofing.

The Company allocated resources and carried out enhancements into its systems and processes to address these requirements to TDRA's satisfaction and work is still ongoing to ensure full and continued compliance through implementing adequate controls to eliminate recurrence of any such violations.

e& UAE Corporate Social Responsibility

In 2023, community development remained a major priority to e& UAE 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. In doing so, e& deployed volunteers in different events and community laid initiatives where 2716 hours of volunteering service were spent. This section tackles in detail the areas in which we reached out to our community.

A summary of CSR activities of the year 2023 is as follows:

Social & Community Development

- UAE SWAT Challenge - Dubai Police
- Al Madam Shopping Festival
- Fujairah Foundation for regions Development
- Dubai Can Public Water Station
- Ramadan Ajman Activities
- Emirates Labour Awards 2023
- Elderly Persons Day
- UAE National Debts
- e& money Application Volunteers Support
- Emirates Red Crescent Winter Campaign
- Emirates Red Crescent Ramadan Campaign
- e& Network Equipment Support to Turkey Cell
- MBRSC-Second UAEAP Mission
- 1 Billion Meals Endowment
- Make a Wish Foundation
- MBRSC Spacewalk Campaign
- Autism Day
- Zayed Humanitarian Day
- 1st May 2023 International Workers Day
- Africa Day
- Emirati Children Day
- MBRSC - Back to Earth Campaign
- MBRSC - Back to UAE
- Participation in Career Fair
- Back to School Campaign

Contribution value: AED 8.75m

Innovation, Education & Health

- International Scientific Conference Rare Syndromes Associated with Disability
- Ajman International Education & Training Exhibition
- Etisalat Award for Children Book
- Mohamed Bin Rashed Library
- Bug Bounty Competition
- AUS Alumni Silver Reunion - American University of Sharjah
- MOHAP – Breast Cancer Awareness Month
- Breast Cancer - e& Staff Campaign
- Sharjah International Book Fair
- Code.org
- "I Speak Code&" children's coding bootcamp Campaign
- TDRA Summer Camp
- Dubai Cares "From Crisis to Classrooms Campaign"
- World MS Day
- Virtual Cyber Security Awareness Session
- e& Digital Campaign
- Blood Donation Drive
- Medical Donation Box
- Schools & Universities GITEX visit
- Education and Water Campaigns ERC SMS Campaign

Contribution value: AED 7.23m

Cultural & Environment Support

- 10th Fujairah International Monodrama Festival and the 36th General Conference of the International Theatre Association
- e& Plant a Mangrove Tree
- Indian Festival
- e& internal Zero Plastic Bottles initiative
- Earth Hour
- Casting call for HR video shoot
- Adha Campaign
- Emirati Women's Day – General Women's Union
- She& Campaign – Volunteer Support
- Tarahum for Gaza Campaign (supported through Internal Communications, Smiles Application & GoCaht Application)
- Fujairah Charity Association addition to Smiles Application
- Awqaf Department addition to Smiles Application
- Bridges of Giving Campaign
- Ras Al Khaimah Plastic Free Campaign

Contribution value: AED 1.34m

Sports & Youth

- UAE Football Association
- UAE Cycling Team
- 29th Abu Dhabi Chess International Festival
- e& volunteers for 3 SMB business events
- GITEX volunteers
- Industrialist Career Exhibition
- COP28 volunteers
- Formula 1 volunteers

Contribution value: AED 11.84m

Total spending on all CSR activities for the year 2023 is: AED 29.16m

Investor Relations

In light of the Group'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 report internally for the proper disciplinary actions; and
k. Carry out a review of the policy on a periodic basis.

During the year 2023, the Committee enhanced its e-services platform and built a rigorous and continuously updated insider trading database.

General Assembly and Special Resolutions

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

The General Assembly of the Company is in charge of all the matters related to the Company as stipulated in the Company's Incorporation Law and in its Articles of Association, and is entrusted, among other matters, with approving the annual report on the Company's activities, the Company's financial position during the preceding financial year, appointing external auditors, determining their fees and approving their reports and 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 pay-outs and bonus shares, if any.

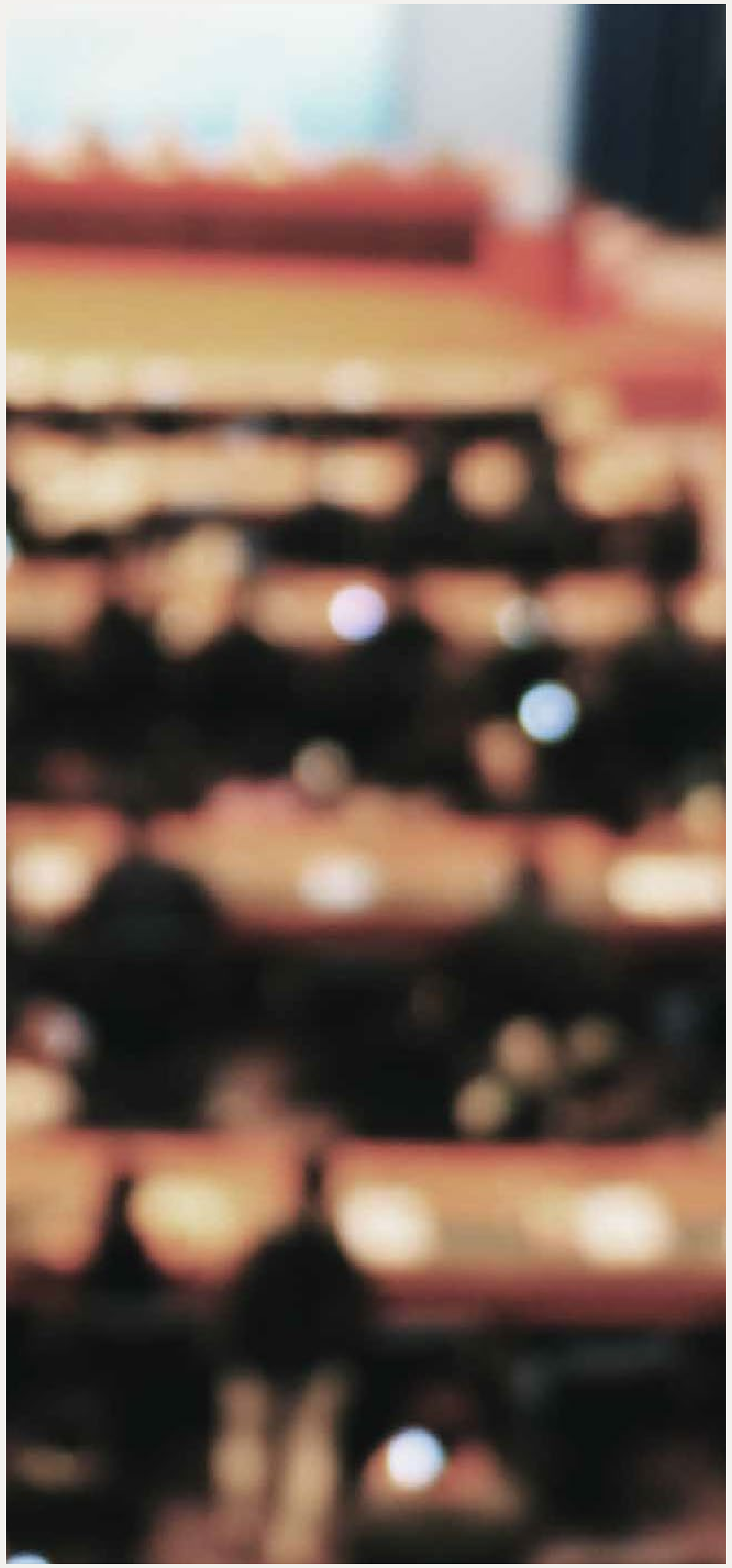
The General Assembly is vested with the authority to elect the Board Members who are not appointed by the Government Shareholder (Emirates Investment Authority "EIA") and to review and set Board members' remunerations. The GA is the authority that absolves Board members and external auditors of liability,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

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 GA for the fiscal year 2022 was held on 11th April 2023.

Special Resolutions

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 General Assembly meeting which was held on April 11th, 2023 passed one Special Resolution; namely, "the approval on a budget of not more than 1% of the Company's net profits of the last two years (2021-2022) for voluntary contributions to the community (Corporate Social Responsibility), and to authorize the Board of Directors (with the right to subdelegate) to effect the payments of such contributions to the beneficiaries determined at its own discretion.



Innovative Initiatives

Innovation is at the heart of what we do in e& UAE and 2023 has been no different. In October we have launched the world's first AI Powered Autonomous Telecom Store but this is just the tip of the iceberg as we have had a stellar year of achievements and initiatives across our whole organization.

We are always striving to exceed our customers' increasing expectations whilst also anticipating future trends and building capabilities to meet future demands. Below is a snapshot of what we have achieved in 2023:

1. Internal Innovations:

Technology Innovation

1. **Internal Automation of Business Processes and Tasks using RPA** – The Business Department has implemented 100+ use cases related to Robotics Process Automation (RPA), which are anticipated to automate multiple Business Processes and Routine Tasks, and hence, significantly enhance internal operations.
2. **AI based Use Cases** – The Business Department has delivered multiple Artificial Intelligence (AI) based use cases for CVM (Campaign Value Management), and internal digitalization. These use cases are related to several internal activities – such as Billing Forecast, P&L Forecast, Account Strategy, Customer Segmentation, Target Testing, Discounting Framework, Commissioning, Churn Management, Bad Debt Prediction, and Credit Score – which are anticipated to enhance the workflows, improve accuracy, and uplift the work efficiency through automation of manual processes, and using Machine Learning for more accurate predictions.
3. **Agile Transformation –** The project is aimed at reducing the Time to Market (TTM). Under this initiative the Agile Delivery Model has been adopted for Prepaid/ Postpaid/ eLife/ CVM, which resulted in TTM Reduction by >30%.
4. **Bill Explainer** – Postpaid is premium segment of mobile base. One of regular communication with customers is through their monthly bills. Consumer team worked to simplify the in app billing experience of customers.
5. **EASE - World's 1st AI Powered Autonomous Telecom Store** – Successful launch of the first autonomous Telecom store globally. Powered by AI and using state of the art technologies including computer vision, facial recognition, smart gates, robotics, smart-shelves and smart dispensing machines. The store provides seamless customer experience through Pay & Pick and Pick & Go journeys.
6. **AI First Strategy –** Initiated a major Corporate Digital AI Transformation program, based on AI technology, as part of corporate AI First strategy that will span over three years. In 2023, more than 400 use cases have been deployed. As part of the program we have also initiated our Citizen X to upskill and empower our workforce to build and deploy AI use cases.
7. **Global Leadership – Fixed & Mobile**: e& UAE helped UAE maintain its position as the fastest country in Mobile Speeds and the seventh fastest globally and fastest in MENA for Fixed Broadband Speed (according to Ookla Global Index). Dubai was recognized as the fastest city in mobile speeds, while Abu Dhbai was recognized as the fastest city for Fixed.
8. **5G mmWave Deployment –** e& UAE is the 1st Telco in the world to have achieved live mmWave deployment. e& UAE has successfully deployed a live mmWave site over 10 Kms providing state of art coverage extension with superior speed. The 5G mmWave is poised to unlock new capabilities for consumers and enterprises with faster speeds, lower latency and deployment flexibility.
9. **"400G"@ Super C+L" Transport Network Trial –** First world-wide successful completion of "400G@ Super C+L" transport network trial conducted in partnership with Huawei marking a significant milestone in network capacity, efficiency & supporting green development initiatives.

Channels

1. **Curated business segment –** Launch of SOHO and Elite Business Segments – targeting both segments including Start-Ups and established businesses with tailored solutions, elevated Customer experience and personalized care
2. **Trade in Machines –** e& has become the first company in the MENA region to introduce its seamless trade in program. Through e& "Trade-in ATM Machines" customers can easily exchange their old devices against Smiles points. This program not only encourages customer loyalty, but also promotes environmental sustainability by reducing waste and encouraging responsible disposal of electronic devices. The first machines were deployed in our first Autonomous store EASE and COP28 Venue.
3. **Service Now –** Unified Multicloud Marketplace with self-service onboarding and enabled autoscaling of resources. Achieved business benefits by 60% saving in Time to market, 20% reduction in incident analysis and resolution time, maximize user experience and minimize operational cost.
4. **BSS Stack Transformation –** Kickstarted a major program to transform and simplify the full business support systems stack. The program aims to enable, Low Code –No Code features, coherent customer management systems, and integrate fulfilment & digital journey management using a unified platform with the ultimate goal of improving agility and customer experience.

Innovative Initiatives (continued)

Products

1. **UTAP** - A powerful digital payment solution that empowers businesses of all sizes with access to simplified collections and streamlined automation.
2. **Microsoft Teams Direct Routing** – A contemporary fixed voice solution replacing the traditional legacy voice services with cloud-based carrier-grade calling functionality by enabling PSTN calling on Microsoft Teams via Direct Routing.
3. **5G Wireless Line** – Launched in January 2023 enables advanced vertical specific use-cases and provide high end CPEs, backhaul & managed services support to ensure higher uptime & secure connectivity for customers, including businesses, government, industrial and other industries. The solution is already deployed for several Healthcare, Construction and Media verticals.
4. **Smiles** – Smiles continues to grow at an impressive pace, and received new and exciting additions in 2023:

   a. **Launch of Smiles Market** – Offering a wide selection of products with in-stock guarantee promise to our customers. At the same time, Smiles expands the marketplace to include pharmacies.
   b. **Launch of Home Services** – Following acquisition of Servicemarket by Smiles in early 2023, a broad selection of home services, (45 services to date) were launched on Smiles app, including cleaning, home improvement, laundry, luxury spa and health services.Convenience of the services attracted customers and achieved significant growth in transactions in less than a year.
   c. **Expansion of our dedicated delivery fleet & capabilities** – In order to improve customer experience and to optimize delivery distance, Smile launched food deliveries via its own Smiles-Champions fleet.

2. External Innovations

1. **National Program for Establishing Businesses** – Launched in Q4 2023 with the program's objective of empowering 100% local-owned businesses and Emirati Entrepreneurs as e& Channel Partners to unleash their potential and lead the UAE's Economic Development, in line with the UAE national agenda. Participants will enjoy the privileges of being and Authorized Channel Partner, including access to training, technical and administrative expertise, and being featured on all related marketing collaterals. With more than 10 partners either onboarded or in the pipeline by the end of the year.
2. **Hello Business Pitch** – We concluded the third iteration of the program that provides our SMB customers the opportunity to grow and scale their business to new heights by pitching their journeys and business model that haven't commenced operations yet.

3. Sustainability

The **Climate Action** Projects, implemented by e& UAE in the UAE, include the use of the latest generation of energy-efficient radio equipment with advanced Artificial Intelligence features to optimize energy consumption for different traffic loads while maintaining network performance. e& UAE continued to invest in conversion of indoor sites to outdoor free cooling solutions, reducing the GWP (Global Warming Potential) of refrigerants by recovering, recycling and reusing refrigerant gases, and using on-site renewable energy through solar panels and hybrid power solutions for off-grid sites to replace and reduce the use of diesel generators. Over 25K mtCO2e abatement capacity achieved with focused Initiatives by developing Renewable Energy sources and by introducing Energy Efficient, Energy Optimization solutions across the Network domains, delivering over 23% reduction in emissions with the accelerated de-carbonization program.

1. **Mobile site sustainability towards net zero vision –** e& UAE through strategic alliance with partners deployed the first net zero 5G Massive MIMO site and Zero-Footprint radio access network (RAN) in the MENA region at Dubai EXPO City, the landmark venue of COP28. The pilot implementation demonstrated a reduction in energy consumption on a site level by 47%, which is equivalent to a 15 tones reduction in carbon (CO2) emissions per year. In line with e&'s sustainability strategy, the Zero Footprint deployment focuses on carbon emission reduction, energy efficiency enhancement and resource conservation, which is aligned with the objectives of UAE Net Zero by 2050 Strategic Initiative.
2. **Sustainability Through Network Modernization at COP28 EXPO City –** As part of COP28 event preparations, e& UAE upgraded 56 Mobile network sites with the latest sustainability focused features which resulted in reducing space requirements by 66% and improving energy efficiency by between 10%-30%, leading to reduction of 64 tons of CO2 emissions per year.
3. **Eco SIM Packs** – In alignment with e&'s Sustainability strategy, Eco friendly SIM cards and packs were launched prior to COP28.

General Information

This part of the report tackles the information related to the holdings of e& shares and its performance in the year 2023.

Price of e& Share in 2023

The below table shows e& share price in 2023:

Date	Open	High	Low	Close
1-2023	25.5	25.8	25.2	25.7
2-2023	25.4	25.6	24.8	25.5
3-2023	22.6	22.7	22.1	22.1
4-2023	24.2	24.5	24.0	24.0
5-2023	23.6	24.1	23.1	23.1
6-2023	22.4	22.4	22.2	22.4
7-2023	22.4	22.4	22.3	22.4
8-2023	19.9	20.1	19.8	19.8
9-2023	20.5	20.9	20.4	20.4
10-2023	18.5	18.6	18.3	18.5
11-2023	19.3	19.6	19.2	19.3
12-2023	19.9	19.9	19.1	19.6

Note: Share price as at the end of each month in AED.

Shareholders Holding 5% and above of e& Shares

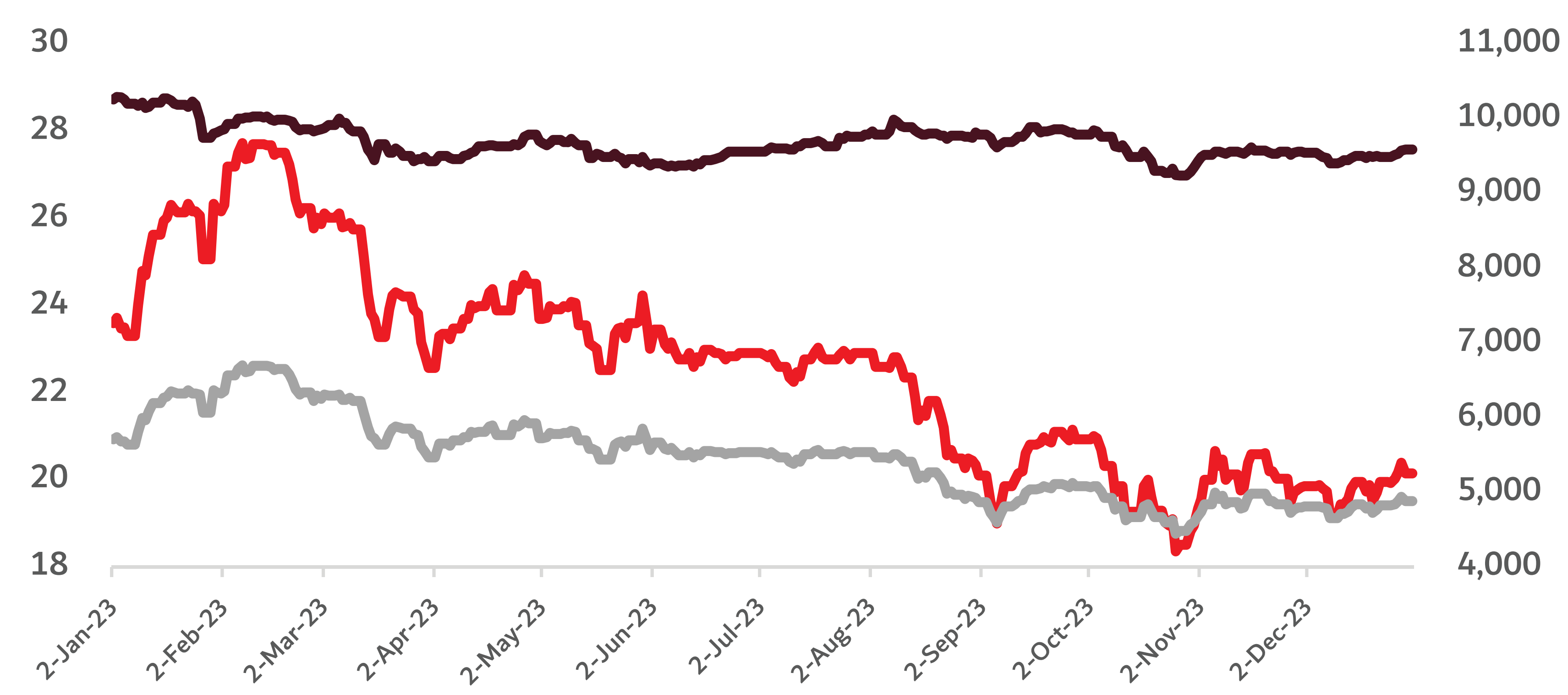
The below table shows the details of shareholders holding 5% and above of e& total shares in 2023:

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

e& Share Performance

The below chart show e&'s share performance compared to the General Index and FTSE ADX Telecom in 2023:

e& Vs. ADX General Index and FADTELI Index



General Information (continued)

Shareholding Structure at the End of 2023

The below table shows the percentage of shareholding owned by different categories of shareholders as at the end of 2023:

	Percentage of the Owned Shares			
Shareholder	Individuals	Corporate	Government	Total
UAE	25.3%	4.3%	61.5%	91.2%
GCC	0.0%	0.2%	0.0%	0.2%
Arab	0.0%	0.0%	0.0%	0.0%
Foreign	0.0%	8.5%	0.0%	8.6%
Total	**25.4%**	**13.1%**	**61.5%**	**100.0%**

Shareholding Volume Details

The below table shows the shareholding percentages to capital during 2023:

Shareholding	Number of Shareholders	Number of Shares	Percentage to Capital
Less than 50,000	11,532	94,546,533	1.1%
50,000 to less than 500,000 shares	2,676	433,142,810	5.0%
500,000 to less than 5,000,000 shares	771	1,121,638,431	12.9%
5,000,000 shares and above	113	7,047,426,226	81.0%
Total	**15,092**	**8,696,754,000**	**100.0%**

Key Events

e& Group continued to achieve unprecedented levels of growth during this remarkable year which witnessed a strong performance and outstanding achievements. Below are the key events:

February

Completed Acquisition of "ServiceMarket"

e& UAE completed the acquisition of 100% of online marketplace Service Souk DMCC "ServiceMarket." This will complement e&'s UAE existing "Smiles" marketplace services, which already includes online food and grocery delivery, lifestyle offers and the ability to earn and redeem points at more than 10,000 outlets across the UAE.

March

Increasing Stake in Vodafone

e& increased its holding in Vodafone Group to 12% in January and then reached 14% in February. This gradual progression suggests e&'s growing confidence in Vodafone's potential and long-term prospects.

May

Forged Strategic Relationship with Vodafone Group across MEA

The Group strengthened its strategic relationship with Vodafone Group to include collaboration across a broad range of growth areas, including enterprise, procurement, CWR, and technology, in order to unlock benefits from each other's respective operational scale and complementary geographic footprint.

Launched Joint Venture with Bespin Global

A new joint venture between e& enterprise (65%) and Bespin Global (35%) was launched to offer public cloud managed and professional services in the Middle East, Turkey, Africa and Pakistan (METAP). e& also invested USD 60 million for a ~10% stake in Bespin Global.

July

Completed Acquisition of Majority Stake in Beehive

e& enterprise successfully completed the acquisition of 63.3% of Beehive for USD 23.6 million. Beehive leads the crowdfunding platform space in the UAE, with operations in KSA and Oman. It connects creditworthy SMEs seeking finance with investors, both private and institutional, offering conventional as well as Sharia compliant loans.

August

Acquired Controlling Stake in PPF Telecom

e& signed a binding agreement with PPF Group to acquire a controlling stake (50% + 1 economic share) in PPF Telecom's assets in Bulgaria, Hungary, Serbia, and Slovakia.

November

Received New Federal Royalty Guidelines for the Period 2024 – 2026

The Ministry of Finance has communicated guidelines that outlines the details of the new Telecom Federal Royalty regime that will be effective from January 2024. This is in addition to the Corporate Tax Law.

December

Successfully Signed AED 366 Million Green Loan Agreement

The agreement amounts to AED 366 million (circa USD 100 million) where the proceeds of the loan will be used to finance eligible green projects. This signifies the Group's commitment to sustainable practices and responsible financial management.

Completed Acquisition of Careem Super App

e& successfully acquired 50.03% of Careem Technologies (known as Careem Everything App) in exchange for an investment of USD 400 million that will be invested to grow the business.

PTCL Group to Acquire 100% Stake in Telenor Pakistan

PTCL Group, a subsidiary of e& with effective economic ownership of 23.4%, has signed a Share Purchase Agreement with Telenor ASA ("Telenor") to acquire a 100% stake in Telenor Pakistan based on an Enterprise Value of PKR 108bn on a cash free, debt free basis.

e& Terminates Discussions to Increase its Stake in Etihad Etisalat Company ("Mobily")

e& has concluded discussions regarding a potential increase in its shareholding in Mobily. Despite efforts to reach an agreement, a path forward could not be determined. Consequently, e& has opted not to proceed with the potential transaction.

Group Chief Risk and Internal Audit Officer	Chairman of Audit Committee	Chairman of Nomination & Remuneration Committee	Chairman of the Board of Directors

06

Financial Statements

To the Shareholders of Emirates Telecommunications Group Company PJSC

Independent Auditors' Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emirates Telecommunications Group Company PJSC ("the Company") and its subsidiaries ("the Group or collectively as e&"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

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

The key audit matter	How the matter was addressed in our audit
Revenue recognition is considered a key audit matter because of: • reliance on multiple, complex information technology (IT) systems and tools used in the initiation, processing and recording of revenue transactions; • variety of customer offerings with multiple pricing and tariff structures, which may frequently change during the course of the year; • judgments and estimates involved in revenue recognition of multiple element arrangements; and • large volume of transactions. Revenue recognition involves the exercise of a number of key judgments and estimates around the identification of performance obligations that the Group has in its contracts with the customers, determination of stand-alone selling prices, allocation of transaction prices to the various performance obligations and the timing of fulfilling those obligations. We also identified a risk of management override through inappropriate manual topside revenue journal entries as revenue is a key performance indicator for management performance. Refer to notes 3 and 4 for accounting policies and critical accounting judgements and key sources of estimation uncertainty.	Our procedures included, amongst others, those described below: • We obtained an understanding of the Group's revenue and billing processes. This included evaluating controls, IT systems, interfaces, and reports across all stages, from contract initiation to final measurement, recognition, and recording; • We involved our dedicated IT audit team to test design and operating effectiveness of both general IT controls and application controls embedded within key IT systems and applications. It included evaluating interface integrity, and testing automated controls over relevant data flows of significant revenue streams across various systems; • We tested the reconciliations between the general ledgers and the relevant IT system reports for all the key revenue streams; • We undertook analytical reviews and performed substantive analytical procedures on significant revenue streams; • On a sample basis, we tested whether the revenue recognised during the year agrees with underlying contractual arrangements; • On a sample basis, we evaluated the revenue recognition relating to multiple element arrangements with customers in accordance with the applicable financial reporting framework; and • On a sample basis, we tested supporting evidence for manual journal entries posted to revenue accounts.

Federal royalty

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

The key audit matter	How the matter was addressed in our audit
The Group is liable to pay federal royalty to the UAE Government in accordance with the Cabinet of Ministers decision no. 320/15/23 dated 9 December 2012 ("the Decision"), the new Federal Royalty Scheme issued by UAE Ministry of Finance ("MoF") dated 20 February 2017 ("the Scheme") and the subsequent clarifications and correspondences with MoF. MOF's current directives for calculating federal royalty will remain in effect until the end of 2023. However, on 3 November 2023, MoF introduced fresh guidelines for the telecommunications sector, covering the period 2024 to 2026. These updates take into account the UAE Corporate Tax Law, set to apply to the sector starting 1 January 2024. The federal royalty charge for the year ended 31 December 2023 and the federal royalty liability as of that date amounted to AED 6,329 million and 6,321 million respectively (2022: AED 5,771 million). As disclosed in notes 4 and 7, the computation of the federal royalty charge requires exercise of critical judgments around the segregation of revenue and costs between regulated and non-regulated activities and determination of which particular items are eligible to be excluded in arriving at that charge and liability.	Our procedures included, amongst others, those described below: • We obtained and inspected the Decision and the Scheme issued by the MoF, and subsequent clarifications and correspondences with the MoF; • We tested the Group's federal royalty computations for reasonableness, including assessing the critical judgements made in the computation of the federal royalty charge for the year; • We tested, on a sample basis, the classification of regulated and non-regulated revenues and costs in the computation of the federal royalty charge for the UAE telecom operations; • We tested, on a sample basis, the items which are eligible to be excluded in computing the federal royalty charge and liability; • We tested the allocation of indirect costs on non-regulated operations based on the clarifications received from MoF; • We checked the arithmetical accuracy of the computation of the federal royalty charge for the year; and • We inspected the correspondence between the Group and the MoF with respect to federal royalty to corroborate the accuracy of the associated federal royalty charge and liability in the consolidated financial statements for the year ended 31 December 2023.

Assessment of carrying value of goodwill

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

The key audit matter	How the matter was addressed in our audit
The Group holds significant investments in telecommunication and related businesses in various geographical locations. The carrying value of goodwill as at 31 December 2023 totaled AED 11,883 million. The carrying amount of the goodwill is assessed for impairment on the occurrence of a triggering event or at least annually in accordance with IAS 36 Impairment of Assets. The impairment testing of goodwill requires management to identify cash-generating units ("CGUs") in accordance with IAS 36 Impairment of Assets. In arriving at the carrying value of a CGU, judgment is applied by management on which assets and liabilities form part of that CGU. For the CGUs which contain goodwill, the determination of recoverable amount, being the higher of fair value less costs of disposal and value in use, requires judgment on the part of management. The testing then requires comparing the carrying value of each CGU to its recoverable amount, which was estimated as the present value of its future projected cash flows. The estimation of the recoverable amount involves significant judgments, including assumptions around the current and future market conditions in the various geographies that the Group has operations, forecast cash flows, discount rates and any other assets underpinning the recoverable amount.	Our audit approach included an understanding and assessment of the design and implementation of identified key controls that are relevant to the impairment assessment process. With respect to the recoverable amount, we challenged the Group's methodology in relation to identification of CGUs given our understanding of its operating and business structure, process of management review and reporting, and the independence of the cash flows associated with the respective CGUs. With respect to each identified significant CGU, our audit procedures included, amongst others, those described below: • We engaged our valuation specialists to test the reasonableness of the key assumptions underpinning the valuation, including the CGUs' respective discount rate and terminal growth rate; • We tested the mathematical accuracy of the respective impairment models; • We reconciled the cash flows used in the valuation workings to business plans approved by the Group or the respective Board of Directors reflecting management's best estimate as at 31 December 2023; • We assessed the reasonableness of the assumptions underpinning the cash flow projections used in the impairment models; • We assessed whether the estimates with respect to cash flow projections made in prior periods were reasonable compared to actual performance; • We evaluated the need for impairment to be recognized during the year; • We conducted sensitivity analyses around the key inputs; and • We assessed the adequacy of disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.

To the Shareholders of Emirates Telecommunications Group Company PJSC

Independent Auditors' Report (continued)

Key Audit Matters (continued)

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 39,336 million, which represents 27% of the Group's total assets as of 31 December 2023. 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. Key judgments and estimates made by which impact the carrying amount of 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 2023 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 for the year.

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Statement included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining sections of the Annual Report, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

To the Shareholders of Emirates Telecommunications Group Company PJSC

Independent Auditors' Report (continued)

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

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 2023:

- 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 2023;
- 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 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2023; and
- note 7 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2023.

KPMG Lower Gulf Limited

Avtar Singh Jalif
Registration Number No: 5413
Abu Dhabi, United Arab Emirates

Date: 20 February 2024

Emirates Telecommunications Group Company PJSC

Consolidated Statement of Profit or Loss

for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Revenue	**6 (a)**	**53,752,118**	**52,434,227**
Operating expenses	7 (a)	(34,371,770)	(33,323,052)
Impairment loss on trade receivables and contract assets	35 (b)	(899,830)	(803,470)
Impairment loss on other assets - net	12(a)	(80,896)	(2,756)
Share of results of associates and joint ventures	16	761,035	417,358
Operating profit before federal royalty		**19,160,657**	**18,722,307**
Federal royalty	7 (b)	(6,328,722)	(5,770,893)
Operating profit		**12,831,935**	**12,951,414**
Finance and other income	8	3,794,661	2,000,601
Finance and other costs	9	(3,928,152)	(2,674,340)
Profit before tax		**12,698,444**	**12,277,675**
Income tax expenses	10	(1,554,234)	(1,751,977)
Profit for the year		**11,144,210**	**10,525,698**
Profit attributable to:			
Owners of the Company		10,304,547	10,007,361
Non-controlling interests	15(c)	839,663	518,337
		11,144,210	10,525,698
Earnings per share			
Basic and diluted	39	AED 1.18	AED 1.15

Chairman

Board Member

The accompanying notes on pages 111 to 143 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 106 to 108

Emirates Telecommunications Group Company PJSC

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Profit for the year		**11,144,210**	**10,525,698**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations - net of tax		(3,055)	20,398
Share of other comprehensive (loss)/gain of associates and joint ventures – net of tax		(5,330)	8,947
Loss on revaluation of financial assets		(2,496,841)	(5,724,804)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(583,212)	(5,260,477)
(Loss)/gain on net investment hedge	28,34	(306,799)	545,895
Fair value gain arising on cash flow hedges	28	(82,738)	209,110
Cumulative gain transferred to profit or loss on deconsolidation of a subsidiary		(63,775)	-
Share of other comprehensive (loss)/income of associates and joint ventures – net of tax		(21,633)	33,672
Total other comprehensive loss		**(3,563,383)**	**(10,167,259)**
Total comprehensive income for the year		**7,580,827**	**358,439**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		7,295,533	1,637,852
Non-controlling interests		285,294	(1,279,413)
		7,580,827	**358,439**

The accompanying notes on pages 111 to 143 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 106 to 108.

Emirates Telecommunications Group Company PJSC

Consolidated Statement of Financial Position

as at 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Non-current assets			
Goodwill and other intangible assets	11	23,411,594	22,339,232
Property, plant and equipment	13	39,335,942	39,925,299
Right-of-use assets	14	1,680,979	1,781,560
Investments in associates and joint ventures	17	8,977,802	8,266,101
Other investments	18	19,795,521	15,715,504
Trade and other receivables	21	499,896	446,248
Finance lease receivables	23	1,442,979	1,138,181
Derivative financial instruments	28	39,249	208,220
Contract assets	22	537,658	556,768
Deferred tax assets	10(d)	395,953	220,111
		96,117,573	**90,597,224**
Current assets			
Inventories	20	1,090,185	972,875
Trade and other receivables	21	16,397,865	15,647,768
Current income tax assets		491,065	484,686
Finance lease receivables	23	152,443	195,533
Due from related parties	19	74,362	112,319
Contract assets	22	2,545,688	1,824,918
Other investments	18	743,162	2,407,143
Derivative financial instruments	28	67,550	3,357
Cash and bank balances	24	28,989,387	32,839,482
Assets held for sale		234,975	-
		50,786,682	**54,488,081**
Total assets		**146,904,255**	**145,085,305**
Non-current liabilities			
Trade and other payables	25	1,763,257	1,247,240
Borrowings	27	35,850,092	24,209,643
Payables related to investments and licenses	29	236,379	302,250
Deferred tax liabilities	10(d)	1,765,746	1,645,275
Lease liabilities	30	2,894,144	2,602,977
Provisions	31	367,092	381,677
Provision for employees' end of service benefits	32	1,194,245	1,166,134
Contract liabilities	26	91,805	97,855
		44,162,760	**31,653,051**
Current liabilities			
Trade and other payables	25	29,543,734	30,583,955
Contract liabilities	26	2,851,049	2,991,721
Borrowings	27	13,190,573	23,744,566
Payables related to investments and licenses	29	15,024	13,686
Current income tax liabilities		291,890	415,036
Lease liabilities	30	568,557	542,233
Provisions	31	5,039,163	5,028,677
Deferred tax liabilities	10(d)	3,918	-
Derivative financial instruments	28	25,695	-
Provision for employees' end of service benefits	32	138,189	113,280
		51,667,792	**63,433,154**
Total liabilities		**95,830,552**	**95,086,205**
Equity			
Share capital	33	8,696,754	8,696,754
Reserves	34	17,364,905	20,240,124
Retained earnings		16,596,235	13,326,978
Equity attributable to the owners of the Company		**42,657,894**	**42,263,856**
Non-controlling interests	15(c)	8,415,809	7,735,244
Total equity		**51,073,703**	**49,999,100**
Total liabilities and equity		**146,904,255**	**145,085,305**

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

Chairman

Board Member

The accompanying notes on pages 111 to 143 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 106 to 108

Emirates Telecommunications Group Company PJSC

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	Notes	Attributable to owners of the Company				Non-controlling interests AED'000	Total equity AED'000
		Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Owners' equity AED'000		
Balance at 1 January 2022		**8,696,754**	**28,598,188**	**10,291,094**	**47,586,036**	**9,977,786**	**57,563,822**
Profit for the year		-	-	10,007,361	10,007,361	518,337	10,525,698
Other comprehensive income/(loss) for the year		-	(8,399,796)	30,287	(8,369,509)	(1,797,750)	(10,167,259)
Total comprehensive income for the year		**-**	**(8,399,796)**	**10,037,648**	**1,637,852**	**(1,279,413)**	**358,439**
Other movements in equity		-	(368)	(5,268)	(5,636)	(12,321)	(17,957)
Transfer to reserves		-	87,102	(87,102)	-	-	-
Transfer of fair value reserve of equity instruments designated at FVTOCI		-	(45,002)	45,002	-	-	-
Transactions with owners of the Company:							
Acquisition of a subsidiary	41.2	-	-	-	-	218,232	218,232
Dividends		-	-	(6,954,396)	(6,954,396)	(1,169,040)	(8,123,436)
Balance at 31 December 2022		**8,696,754**	**20,240,124**	**13,326,978**	**42,263,856**	**7,735,244**	**49,999,100**
Balance at 1 January 2023		**8,696,754**	**20,240,124**	**13,326,978**	**42,263,856**	**7,735,244**	**49,999,100**
Profit for the year		-	-	10,304,547	10,304,547	839,663	11,144,210
Other comprehensive income / (loss) for the year		-	(3,011,124)	2,110	(3,009,014)	(554,369)	(3,563,383)
Total comprehensive income for the year		**-**	**(3,011,124)**	**10,306,657**	**7,295,533**	**285,294**	**7,580,827**
Other movements in equity		-	-	14,645	14,645	265,541	280,186
Transfer to reserves		-	135,905	(135,905)	-	-	-
Transactions with owners of the Company:							
Acquisition of a subsidiary	41.1	-	-	38,256	38,256	860,560	898,816
Dividends		-	-	(6,954,396)	(6,954,396)	(730,830)	(7,685,226)
Balance at 31 December 2023		**8,696,754**	**17,364,905**	**16,596,235**	**42,657,894**	**8,415,809**	**51,073,703**

The accompanying notes on pages 111 to 143 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 106 to 108.

Emirates Telecommunications Group Company PJSC

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Operating profit		**12,831,935**	**12,951,414**
Adjustments for:			
Depreciation		5,966,695	5,794,766
Amortisation		1,847,393	1,854,270
Impairment loss on other assets - net		80,896	2,756
Share of results of associates and joint ventures		(761,035)	(417,358)
Provisions and allowances		(564,684)	(768,293)
Unrealised currency translation loss/(gain)		110,608	536,686
Operating cash flows before changes in working capital		**19,511,808**	**19,954,241**
Changes in:			
Inventories		(123,376)	(292,095)
Due from related parties		53,635	(30,293)
Trade and other receivables including contract assets		(1,520,431)	(2,581,546)
Trade and other payables including contract liabilities		(683,823)	4,037,631
Cash generated from operations		**17,237,813**	**21,087,938**
Income tax expenses paid		(1,916,232)	(1,841,221)
Payment of employees' end of service benefits		(115,717)	(112,216)
Net cash generated from operating activities		**15,205,864**	**19,134,501**
Cash flows from investing activities			
Proceeds from disposal of investments at amortised cost		1,103,291	349,367
Acquisition of investments at amortised cost		(4,039,630)	(575,536)
Acquisition of subsidiaries (net of cash and bank balances acquired)		(85,962)	(224,015)
Acquisition of investments classified as fair value through profit or loss		(266,894)	(1,549,577)
Proceeds from disposal of investments classified as fair value through profit or loss		1,583,802	366,997
Acquisition of investments classified as fair value through other comprehensive income ("OCI")		(3,857,914)	(18,688,232)
Proceeds from disposal of investments classified as fair value through OCI		497,979	61,838
Acquisition of interest in an associate		(220,350)	(638,889)
Net cash outflow on deconsolidation of a subsidiary		(2,957)	-
Purchase of property, plant and equipment		(6,039,615)	(6,747,423)
Proceeds from disposal of property, plant and equipment		105,741	67,201
Purchase of intangible assets		(1,247,874)	(1,289,877)
Proceeds from disposal of intangible assets		28,532	898
Dividend income received from associates, joint ventures and other investments		1,465,197	334,570
Term deposits made with maturities over three months		(11,616,436)	(32,373,123)
Term deposits matured with maturities over three months		22,436,921	11,180,517
Cash flows from unwinding of derivative financial instruments - net		(23,150)	22,323
Finance and other income received		2,262,256	1,241,615
Net cash generated from (used in) investing activities		**2,082,937**	**(48,461,346)**
Cash flows from financing activities			
Proceeds from borrowings	27(c)	26,410,721	30,439,982
Repayments of borrowings	27(c)	(25,160,947)	(6,646,006)
Payments of lease liabilities	27(c)	(1,043,937)	(707,205)
Dividends paid		(7,676,917)	(8,035,146)
Finance and other costs paid		(3,127,621)	(1,431,103)
Net cash (used in)/generated from financing activities		**(10,598,701)**	**13,620,522**
Net (decrease)/increase in cash and cash equivalents		**6,690,100**	**(15,706,323)**
Cash and cash equivalents at the beginning of the year		3,202,195	19,911,520
Effect of foreign exchange rate changes		280,291	(1,003,002)
Cash and cash equivalents at the end of the year	24	**10,172,586**	**3,202,195**

The accompanying notes on pages 111 to 143 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 106 to 108

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

1. General information

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

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

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

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

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

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

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

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

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 20 February 2024.

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

2. Basis of preparation

These consolidated financial statements of e& have been prepared in accordance with International Financial Reporting Standards ("IFRS") and complies with 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. Material accounting policies

The material 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.

- IFRS 17 Insurance contracts
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

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

New and amended standards issued but not yet effective

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

New and amended standards not effective and not yet adopted by e& Effective date

New and amended standards not effective and not yet adopted by e&	Effective date
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely

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

Basis of consolidation

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

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

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

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

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

Intercompany transactions, balances and any unrealised income and expenses (except for foreign currency transaction gains or losses) between Group entities have been eliminated in the consolidated financial statements.

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

Business combinations

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

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

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

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

Step acquisition

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

Associates and joint ventures

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

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

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

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

3. Material accounting policies (continued)

e&'s share of associates and joint ventures results is based on the most recent financial statements or interim financial information drawn up to e&'s reporting date. Accounting policies of associates and joint ventures have been adjusted, where necessary, to ensure consistency with the policies adopted by e&.

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

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

Revenue recognition

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

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

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

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

Performance obligations and revenue recognition policies:

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

Service/ Product category	Nature of performance obligations	Point of revenue recognition and significant payment terms
Mobile services contracts	• Voice, data and messaging and value added service (VAS), • Loyalty points	Revenue recognition for voice, data, messaging and VAS is recognized over the period when these services are provided to the customers. Revenue recognition for loyalty points is when the points are redeemed or expire. Mobile services contracts are billed on a monthly basis based as per agreed terms of contract for respective services, which is generally either fixed recurring rentals and/or usage.
Unlocked devices contracts	• Unlocked devices provided along with a service contract	Revenue is allocated to unlocked device in the ratio of relative standalone selling price and recognised on date of transfer of control, which is generally on the date of signing the contract. In case of device sales, transfer of control is immediate, whereas the billing terms may be either full upfront billing or installment billing.
Consumer fixed contracts	• TV service • Unlocked devices (IP Phone and Routers) • Broadband services • Fixed telephone service	Revenue recognition for services is over the contract period, whereas revenue recognition for unlocked devices is upon transfer of control to the customer (i.e. Day 1). The services are billed on a monthly basis as per the agreed terms of contract for respective services, which is generally either fixed recurring rentals and/or usage.
Business Fixed contracts	• Gateway router • Fixed voice • Internet service • Office application • Security solution • Managed services • Ancillary devices • (laptop, printer, IP Telephone, etc)	Revenue recognition for services is over the contract period, whereas revenue recognition for ancillary devices is upon transfer of control to the customer (i.e. point in time). The contracts are billed and paid on monthly basis.
Business Solutions contracts	• Connectivity service (IPVPN, leased lines, etc) • Managed Services • IPTV services	Revenue is recognised over the period when these services are provided to the customers. Where hardware (e.g. routers) are provided as part of the contract, e& recognises these as distinct PO only if the hardware is not locked and if the customer can benefit from them either by selling for more than scrap value or using with services from other service providers. If the customer cannot benefit from hardware on its own, then it is not considered distinct POs and revenue is recognised over the service period. The contracts are billed and paid on monthly basis.
Digital Solutions contracts	Digital and ICT solutions	The separable components of the solution are distinct POs. Revenue is recognised based on output measures (such as the proportion of units delivered) to measure progress towards complete satisfaction of POs where such measures are available. The contracts are billed as per contract terms.
Miscellaneous	Installation services	Installation services provided for service fulfillment are not distinct POs and the amount charged for installation service is recognised over the service period. Installation services are generally billed on upfront basis.

Principal versus agent

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

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

Leases

e& as lessee

Right-of-use asset

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

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

Lease liability

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

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

3. Material accounting policies (continued)

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

a. fixed payments, including in-substance fixed payments;
b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c. amounts expected to be payable under a residual value guarantee; and
d. 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.

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

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

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

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

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

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

Foreign currencies

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

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

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

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

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

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

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

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

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

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

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

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

The present value of the defined benefit obligations is calculated using assumptions on the average annual rate of increase in salaries, average period of employment of non-UAE nationals and an appropriate discount rate. The assumptions used are calculated on a consistent basis for each period and reflect management's best estimate. The discount rates are set in line with the best available estimate of market yields currently available at the reporting date with reference to high quality corporate bonds or other basis, if applicable.

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

3. Material accounting policies (continued)

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.

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

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

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

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

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

Property, plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to e& and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

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

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

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

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

Intangible assets

Recognition and measurement

(i) Goodwill

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

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

On disposal of an associate, joint venture, or a subsidiary or where Group ceases to exercise control, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Licenses

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

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

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3. Material accounting policies (continued)

(iii) Internally-generated intangible assets

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

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

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

(iv) Indefeasible Rights of Use

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

(v) Other intangible assets

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

Subsequent expenditure

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

Impairment of tangible and intangible assets excluding goodwill

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

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

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

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

Inventory

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

Financial instruments

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

i) Fair value

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

ii) Financial assets

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

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

iii) Amortised cost and effective interest method

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

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

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

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

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

iv) Fair value through OCI – with recycling

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

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

3. Material accounting policies (continued)

v) Fair value through OCI – without recycling

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

A financial asset is held for trading if it is:

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

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

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

vi) Fair value through profit and loss

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

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

vii) Cash and cash equivalents

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

viii) Impairment of financial assets

e& recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

e& always recognises lifetime ECL for trade receivables, lease receivables and contract assets, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on e&'s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

a) Significant increase in credit risk

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

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

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

b) Definition of default

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

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

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

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

c) Credit – impaired financial assets

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

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

d) Measurement and recognition of expected credit losses

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

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

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

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

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Emirates Telecommunications Group Company PJSC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

3. Material accounting policies (continued)

e& recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

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

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

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

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

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

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

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

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

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

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

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

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

Provisions

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

Transactions with non-controlling interests

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

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

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

Dividends

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

Disposal of assets / assets held-for-sale

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

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

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

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

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

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Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of e&'s accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Critical accounting judgements

i) Fair value of other intangible assets

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

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

ii) Classification of interests in other entities

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

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 2023 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:

a. variable consideration
b. constraining estimates of variable consideration
c. the existence of a significant financing component in the contract
d. non-cash consideration
e. consideration payable to a customer

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

Key sources of estimation uncertainty

i) Impairment of goodwill and investment in associates

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

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

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

ii) Impairment of other intangible assets

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

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

iii) Property, plant and equipment

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

iv) Measurement of the expected credit loss allowance

The measurement of the expected credit loss ("ECL") allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.

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

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

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

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

v) Provisions and contingent liabilities

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

vi) Provision for income tax

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

5. Segmental information

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

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

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

- Morocco
- Egypt
- Pakistan
- International - others

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. Official exchange rates have been used to translate foreign currency balances from the above geographical regions.

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

b) Segment revenues and results

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

c) Segment assets

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

The segment information has been provided on the following page.

		International					
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000	Eliminations AED'000	Consolidated AED'000
31 December 2023							
Revenue							
External revenue	34,461,211	6,080,735	3,609,114	2,370,189	7,230,869	-	53,752,118
Inter-segment revenue	315,302	466,673	53,819	118,542	112,472	(1,066,808)	-
Total revenue	**34,776,513**	**6,547,408**	**3,662,933**	**2,488,731**	**7,343,341**	**(1,066,808)**	**53,752,118**
Segment result	**13,568,983**	**2,425,763**	**820,002**	**(118,892)**	**2,464,801**	**-**	**19,160,657**
Federal royalty							(6,328,722)
Finance and other income							3,794,661
Finance and other costs							(3,928,152)
Profit before tax							**12,698,444**
Income tax expenses							(1,554,234)
Profit for the year							**11,144,210**
Total assets	82,007,069	28,462,964	6,794,135	10,083,683	32,335,746	(12,779,342)	146,904,255
Non-current assets *	37,197,831	24,982,512	5,371,854	6,217,548	29,187,235	(7,274,609)	95,682,371
Investments in associates and joint ventures	3,659,415	-	-	-	5,318,387	-	8,977,802
Depreciation and amortisation	3,302,462	1,654,460	587,648	624,636	1,399,470	-	7,568,676
Impairment and other losses	80,053	-	-	752	91	-	80,896
Share of results of associates and joint ventures	125,276	-	-	-	635,759	-	761,035
31 December 2022							
Revenue							
External revenue	32,106,688	6,170,486	4,846,842	2,614,283	6,695,928	-	52,434,227
Inter-segment revenue	296,000	379,571	52,900	116,698	96,167	(941,336)	-
Total revenue	**32,402,688**	**6,550,057**	**4,899,742**	**2,730,981**	**6,792,095**	**(941,336)**	**52,434,227**
Segment result	**13,397,703**	**2,324,997**	**1,185,979**	**(189,771)**	**2,003,399**	**-**	**18,722,307**
Federal royalty							(5,770,893)
Finance and other income							2,000,601
Finance and other costs							(2,674,340)
Profit before tax							**12,277,675**
Taxation							(1,751,977)
Profit for the year							**10,525,698**
Total assets	79,716,460	27,690,132	7,731,604	12,375,589	30,310,249	(12,738,729)	145,085,305
Non-current assets *	34,119,648	22,985,033	6,534,187	7,220,979	26,624,561	(7,315,515)	90,168,893
Investments in associates and joint ventures	3,546,412	-	-	-	4,719,689	-	8,266,101
Depreciation and amortisation	2,811,844	1,635,859	884,332	795,545	1,388,305	-	7,515,885
Impairment and other losses	-	-	-	952	1,804	-	2,756
Share of results of associates and joint ventures	(36,134)	-	-	-	453,492	-	417,358

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

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6. Revenue

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

		International				
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000	Consolidated AED'000
31 December 2023						
Mobile	11,518,984	3,057,460	3,280,384	876,357	6,568,484	25,301,669
Fixed	11,464,249	2,435,245	218,998	1,052,227	452,400	15,623,119
Equipment	2,240,813	352,011	58,925	12,024	27,790	2,691,563
Others	9,237,165	236,019	50,807	429,581	182,195	10,135,767
Total revenue	**34,461,211**	**6,080,735**	**3,609,114**	**2,370,189**	**7,230,869**	**53,752,118**
31 December 2022						
Mobile	11,405,717	3,201,648	4,018,725	960,194	6,119,670	25,705,954
Fixed	11,269,809	2,465,300	306,874	1,253,288	420,223	15,715,494
Equipment	1,768,354	266,478	68,479	14,584	19,994	2,137,889
Others	7,662,808	237,060	452,764	386,217	136,041	8,874,890
Total revenue	**32,106,688**	**6,170,486**	**4,846,842**	**2,614,283**	**6,695,928**	**52,434,227**

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

31 December 2023	Within one year AED'000	More than one year AED'000	Total AED'000
Expected revenue for remaining performance obligations that will be delivered in subsequent years	9,142,656	2,247,016	11,389,672
31 December 2022			
Expected revenue for remaining performance obligations that will be delivered in subsequent years	8,472,181	2,077,569	10,549,750

c) Timing of revenue recognition

		International				
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000	Consolidated AED'000
31 December 2023						
PO satisfied at the point of time	3,977,320	352,011	60,397	32,547	153,951	4,576,226
PO satisfied over a period of time	30,483,891	5,728,724	3,548,717	2,337,642	7,076,918	49,175,892
Total revenue	**34,461,211**	**6,080,735**	**3,609,114**	**2,370,189**	**7,230,869**	**53,752,118**
31 December 2022						
PO satisfied at the point of time	2,631,143	266,478	69,664	37,980	87,843	3,093,108
PO satisfied over a period of time	29,475,545	5,904,008	4,777,178	2,576,303	6,608,085	49,341,119
Total revenue	**32,106,688**	**6,170,486**	**4,846,842**	**2,614,283**	**6,695,928**	**52,434,227**

7. Operating expenses and federal royalty

a) Operating expenses

	2023 AED'000	2022 AED'000
Direct cost of sales	14,714,188	13,242,847
Staff costs	4,353,524	4,475,368
Depreciation	5,964,943	5,794,766
Network and other related costs	2,851,424	2,778,014
Amortisation	1,603,733	1,721,119
Regulatory expenses (i)	1,444,797	1,479,269
Marketing expenses	979,099	976,322
Consultancy costs	810,112	765,845
IT costs	469,467	414,697
Foreign exchange losses - net	67,598	378,485
Lease rentals	86,690	64,137
Other operating expenses	1,026,195	1,232,183
Operating expenses (before federal royalty)	**34,371,770**	**33,323,052**

Operating expenses include an amount of AED 30.33 million (2022: AED 27.28 million), relating to social contributions made during the year.

i) Regulatory expenses:

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

ICT Fund Contribution	2023 AED'000	2022 AED'000
UAE Net Regulated Revenue	20,489,592	19,814,096
ICT Fund Contribution	204,896	198,141

b) Federal Royalty

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

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

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

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

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7. Operating expenses and federal royalty (continued)

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.

The mechanism for the computation of federal royalty payable for the period ended 31 December 2023 was in accordance with the new royalty scheme and the Correspondence. Royalty on profits amounted to AED 3,037 million (2022: AED 2,789 million).

New Royalty Guidelines

On 03 November 2023, e& has received the new Royalty Guidelines for the telecommunications sector from the MoF outlining the details of the new Telecom Federal Royalty regime for the period starting 1 January 2024 to 31 December 2026. This is in addition to the Corporate Tax Law applicable to e& effective from 1 January 2024.

Under the new Royalty Guidelines, the federal royalty rate of 38% will be applied on the sum of regulated and non-regulated UAE net profit. The federal royalty amount will be deducted from net profit for the computation of taxable income under the UAE Corporate Tax Law. Further, a corporate tax rate of 9% on profit will be applied from 1 January 2024 to 31 December 2026.

The new Royalty Guidelines excludes from the royalty calculation any profits generated from international controlled entities, profits of international non-controlled entities (associates and joint ventures), dividends or other profit distributions received from international investments that are already subject to local corporate or other similar tax in the respective jurisdiction at 9% or above, and profit attributable to non-controlling interest holders of the UAE controlled entities. Further, unlike earlier, e& will not be liable to pay any royalty on the UAE regulated revenue.

The aggregate of annual amount of royalty and corporate tax shall not be lower than AED 5.7 billion and the annual royalty and corporate tax amount are to be paid within five months from the end of the fiscal year.

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

	2023 AED'000	2022 AED'000
Interest on bank deposits and amortised cost investments	1,962,285	993,026
Gain/(loss) on forward foreign exchange contracts	5,652	(43,190)
Net gain/(loss) on financial assets designated as FVTPL	1,807	(44,388)
Dividend income	1,428,321	710,675
Other income	396,596	384,478
	3,794,661	**2,000,601**

9. Finance and other costs

	2023 AED'000	2022 AED'000
Interest on short term bank borrowings, loans and other financial liabilities	2,726,845	1,387,166
Interest on other borrowings	288,848	266,865
Foreign exchange loss/(gain) on borrowings - net	146,475	350,902
Other costs	732,140	631,215
Unwinding of discount	33,844	38,192
	3,928,152	**2,674,340**
Total borrowing costs	3,944,120	2,687,061
Less: amounts included in the cost of qualifying assets	(15,968)	(12,721)
	3,928,152	**2,674,340**

All interest charges are generated on e&'s financial liabilities measured at amortised cost. Borrowing costs included in the cost of qualifying assets during the year arose on specific and non - specific borrowing pools. Borrowing costs attributable to non - specific borrowing pools are calculated by applying a capitalisation rate of 18.99% (2022: 11.24%) for expenditure on such assets. Borrowing costs have been capitalised in relation to certain loans of e&'s subsidiaries.

10. Taxation

Amounts recognised in profit or loss	2023 AED'000	2022 AED'000
Current tax expense	1,707,925	2,100,586
Deferred tax credit	(153,691)	(348,609)
	1,554,234	**1,751,977**

a) Total tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The same law refers to a set of Cabinet/Minister decisions that will be released subsequently to clarify various aspects.

The CT regime is effective for accounting periods beginning on or after 1 June 2023. For e&, the first accounting period to be subject to UAE CT will be 2024 given that e&'s financial year coincides with the calendar year.

On 16 January 2023 the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Enactment of the legislation requires the recognition of deferred taxes where relevant. e& has recorded the deferred tax impact of new CT regime in the consolidated financial statements as at 31 December 2023.

Currently e& pays tax only on its international subsidiaries in accordance with the tax laws prevailing in those countries. The tax rate applicable for international operations is 32.27% (2022: 31.27%). The table below reconciles the difference between the expected tax expense, and e&'s tax charge for the year.

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10. Taxation (continued)

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

	2023 AED'000	2022 AED'000
Tax based on the applicable weighted average tax rate of 32.27% (2022: 31.27%)	1,426,644	1,190,749
Tax effect of share of results of associates	32,027	22,675
Tax effect of expenses that are not deductible in determining taxable profit	120,311	684,434
Tax effect of utilization of tax losses not previously recognized	21,347	22,685
Effect on deferred tax balances of change in income tax rate	(54,347)	(25,373)
Effect on deferred tax balances due to purchase price allocation	8,252	(143,193)
Income tax expenses recognised in profit or losses	**1,554,234**	**1,751,977**

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:

	2023 AED'000	2022 AED'000
Deferred tax assets	395,953	220,111
Deferred tax liabilities	(1,769,664)	(1,645,275)
	(1,373,711)	**(1,425,164)**

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

Deferred tax liabilities	Deferred tax on depreciation and amortisation AED'000	Deferred tax on overseas earnings AED'000	Others AED'000	Total AED'000
At 1 January 2022	2,330,242	84,276	32,228	2,446,746
(Credit)/charge to the consolidated statement of profit or loss	(197,421)	13,704	24,128	(159,589)
Charge to other comprehensive income	-	-	(991)	(991)
Other movements	(7,786)	-	43,473	35,687
Exchange differences	(370,484)	-	(16,523)	(387,007)
At 31 December 2022	**1,754,551**	**97,980**	**82,315**	**1,934,846**
Charge to the consolidated statement of profit or loss	43,497	19,891	34,153	97,541
Credit to other comprehensive income	-	-	(637)	(637)
Other movements	-	-	(49,257)	(49,257)
Exchange differences	19,387	-	(17,230)	2,157
At 31 December 2023	**1,817,435**	**117,871**	**49,344**	**1,984,650**

Deferred tax assets	Tax losses AED'000	Others AED'000	Total AED'000
At 1 January 2022	28,689	398,943	427,632
(Charge)/credit to the consolidated statement of profit or loss	11,337	177,683	189,020
Credit to other comprehensive income	-	2,258	2,258
Other movements	-	(44,940)	(44,940)
Exchange differences	4,677	(68,965)	(64,288)
At 31 December 2022	**44,703**	**464,979**	**509,682**
Credit to the consolidated statement of profit or loss	19,616	231,616	251,232
Credit to other comprehensive income	-	2,311	2,311
Other movements	(67,363)	(846)	(68,209)
Exchange differences	11,482	(95,559)	(84,077)
At 31 December 2023	**8,438**	**602,501**	**610,939**

Unused tax losses	2023 AED million	2022 AED million
Total unused tax losses	117	191
of which deferred tax assets recognised for	117	191

Unused tax losses are reported from Etisalat Afghanistan and can be carried forward indefinitely.

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11. Goodwill and other intangible assets

	Goodwill AED'000	Licenses AED'000	Trade Names AED'000	Others AED'000	Total AED'000
Cost					
At 1 January 2022	16,312,614	18,928,262	2,143,151	9,289,603	46,673,630
Additions	-	346,023	-	943,854	1,289,877
Capitalized during the year	-	189,912	-	(189,912)	-
Acquisition of subsidiaries (Note 41)	493,065	-	1,370	648,447	1,142,882
Transfer	(15,052)	-	15,052	-	-
Disposals	-	(2,819)	-	(32,160)	(34,979)
Exchange differences	(1,125,544)	(3,879,941)	(256,312)	(1,135,478)	(6,397,275)
At 31 December 2022	**15,665,083**	**15,581,437**	**1,903,261**	**9,524,354**	**42,674,135**
Amortisation and impairment					
At 1 January 2022	4,960,946	8,492,687	754,092	6,635,864	20,843,589
Charge for the year	-	834,888	80,925	931,580	1,847,393
Acquisition of subsidiaries (Note 41)	-	-	-	238,545	238,545
Disposals	-	(2,819)	-	(31,263)	(34,082)
Exchange differences	(18,408)	(1,669,196)	(812)	(872,126)	(2,560,542)
At 31 December 2022	**4,942,538**	**7,655,560**	**834,205**	**6,902,600**	**20,334,903**
Carrying amount					
At 31 December 2022	**10,722,545**	**7,925,877**	**1,069,056**	**2,621,754**	**22,339,232**
Cost					
At 1 January 2023	15,665,083	15,581,437	1,903,261	9,524,354	42,674,135
Additions	-	21,073	-	598,604	619,677
Transfer from property, plant and equipment (Note 13)	-	-	-	628,197	628,197
Acquisition of subsidiaries (Note 41)	521,403	-	389,767	249,840	1,161,010
Transfers and other movements	186,642	-	49,579	27,903	264,124
Disposals	(70,289)	-	-	(151,839)	(222,128)
Exchange differences	521,859	(803,557)	83,082	271,539	72,923
At 31 December 2023	**16,824,698**	**14,798,953**	**2,425,689**	**11,148,598**	**45,197,938**
Amortisation and impairment					
At 1 January 2023	4,942,538	7,655,560	834,205	6,902,600	20,334,903
Charge for the year	-	687,609	91,642	867,534	1,646,785
Other movements	-	-	(107,670)	107,670	-
Acquisition of subsidiaries (Note 41)	-	-	-	18,921	18,921
Disposals	-	-	-	(119,544)	(119,544)
Exchange differences	(435)	(358,226)	11,616	252,324	(94,721)
At 31 December 2023	**4,942,103**	**7,984,943**	**829,793**	**8,029,505**	**21,786,344**
Carrying amount					
At 31 December 2023	**11,882,595**	**6,814,010**	**1,595,896**	**3,119,093**	**23,411,594**

Others - net book values	2023 AED'000	2022 AED'000
Indefeasible rights of use	130,653	189,759
Computer software	1,681,808	1,156,616
Customer relationships	246,483	44,212
Others	1,060,149	1,231,167
	3,119,093	**2,621,754**

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:

	2023 AED'000	2022 AED'000
Etisalat UAE	**80,053**	**-**
of which relating to property, plant and equipment (Note 13)	57,420	-
of which relating to right of use assets (Note 14)	22,633	-
Others	**843**	**2,756**
of which relating to property, plant and equipment (Note 13)	752	952
of which relating to other assets	91	1,804
Total impairment losses for the year	**80,896**	**2,756**

b) Cash generating units

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

Cash generating units (CGU) to which goodwill is allocated:	2023 AED'000	2022 AED'000
Maroc Telecom	8,413,961	8,074,404
Maroc Telecom international subsidiaries	2,059,598	1,945,635
Help AG group	76,469	76,469
Etisalat Misr (Etisalat) S.A.E.	6,081	7,596
Digital Financial Services LLC (see Note 41)	125,376	125,376
elGrocer DMCC (see Note 41)	32,334	32,334
Playco Holdings Limited (see Note 41)	647,373	460,731
Service Souk DMCC (see Note 41)	58,002	-
Bespin Global Technologies Limited (see Note 41)	55,613	-
Beehive Group Holdings Limited* (see Note 41)	80,950	-
Careem Technologies Holding Limited* (see Note 41)	326,838	-
	11,882,595	**10,722,545**

*Provisional fair value

Goodwill has been allocated to the separately identifiable CGUs.

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12. Impairment loss on other assets (continued)

c) Key assumptions for the value in use calculations:

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

Long term cash flows and working capital estimates

e& prepares cash flow forecasts and working capital estimates derived from the most recent annual business plan approved by the Board of Directors for the next five years. The business plans take into account local market considerations such as the revenues and costs associated with future customer growth, the impact of local market competition and consideration of the local macro-economic and political trading environment. This rate does not exceed the average long-term growth rate for the relevant markets and it ranges between 2.7% to 6.6% (2022: 3.6% to 6.5%).

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 7.47% to 28.59% (2022: 7.80% to 22.87%).

Capital expenditure

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

Sensitivity analysis

The estimated recoverable amount of the Maroc Telecom and Maroc Telecom International Subsidiaries CGUs exceeded their carrying values. Management has identified that a reasonably possible change in two key assumptions [1.82% increase in discount rates and 2.43% decrease in long term terminal growth rates (2022: 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

	Land and buildings AED'000	Plant and equipment AED'000	Motor vehicles, computer, furniture AED'000	Assets under construction AED'000	Total AED'000
Cost					
At 1 January 2022	9,877,038	79,704,475	6,798,894	4,818,629	101,199,036
Additions	91,404	2,084,519	(145,643)	4,717,143	6,747,423
Transfers	64,222	3,281,536	687,804	(4,036,573)	(3,011)
Disposals	(1,052,513)	(547,984)	(255,787)	(7,085)	(1,863,369)
Acquisition of subsidiaries (Note 41)	-	1,101	9,164	-	10,265
Exchange differences	(1,229,029)	(8,969,131)	(740,180)	(348,544)	(11,286,884)
At 31 December 2022	**7,751,122**	**75,554,516**	**6,354,252**	**5,143,570**	**94,803,460**
Depreciation and impairment					
At 1 January 2022	3,491,245	48,772,942	5,029,070	190,691	57,483,948
Charge for the year	207,122	4,556,500	467,559	-	5,231,181
Impairment charge	-	952	-	-	952
Disposals	(226,565)	(517,591)	(252,124)	(7,085)	(1,003,365)
Acquisition of subsidiaries (Note 41)	-	1,015	6,836	-	7,851
Exchange differences	(327,229)	(5,880,633)	(632,673)	(1,871)	(6,842,406)
At 31 December 2022	**3,144,573**	**46,933,185**	**4,618,668**	**181,735**	**54,878,161**
Carrying amount at 31 December 2022	**4,606,549**	**28,621,331**	**1,735,584**	**4,961,835**	**39,925,299**
Cost					
At 1 January 2023	7,751,122	75,554,516	6,354,252	5,143,570	94,803,460
Additions	93,913	2,003,509	224,814	4,345,576	6,667,812
Transfer to intangible assets (Note 11)	-	-	(628,197)	-	(628,197)
Transfers	58,146	2,524,331	905,790	(3,488,267)	-
Disposals	(5,221)	(801,575)	(73,423)	(27,306)	(907,525)
Acquisition of subsidiaries (Note 41)	-	-	39,155	12,863	52,018
Exchange differences	(96,303)	(732,563)	(165,489)	(147,238)	(1,141,593)
At 31 December 2023	**7,801,657**	**78,548,218**	**6,656,902**	**5,839,198**	**98,845,975**
Depreciation and impairment					
At 1 January 2023	3,144,573	46,933,185	4,618,668	181,735	54,878,161
Charge for the year	188,274	4,861,622	394,445	-	5,444,341
Impairment charge	-	-	-	58,172	58,172
Disposals	(1,607)	(773,239)	(76,498)	(14,169)	(865,513)
Acquisition of subsidiaries (Note 41)	-	-	4,360	-	4,360
Exchange differences	105,690	27,083	(141,615)	(646)	(9,488)
At 31 December 2023	**3,436,930**	**51,048,651**	**4,799,360**	**225,092**	**59,510,033**
Carrying amount at 31 December 2023	**4,364,727**	**27,499,567**	**1,857,542**	**5,614,106**	**39,335,942**

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13. Property, plant and equipment (continued)

The carrying amount of e&'s land and buildings includes a nominal amount of AED 1 (2022: 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 15.97 million (2022: AED 12.72 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 2,946 million (2022: AED 3,269 million).

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

14. Right-of-use assets

	Land and buildings AED'000	Plant and equipment AED'000	Motor vehicles, computer, furniture AED'000	Total AED'000
Balance at 1 January 2022	1,261,269	1,062,732	112,920	2,436,921
Additions for the year	1,216,353	500,665	53,858	1,770,876
Disposals for the year	(1,188,277)	(199,000)	(5,095)	(1,392,372)
Depreciation for the year	(318,962)	(192,281)	(52,342)	(563,585)
Exchange differences	(118,272)	(329,520)	(25,087)	(472,879)
Acquisition of subsidiaries (Note 41)	2,599	-	-	2,599
Balance at 31 December 2022 / 1 January 2023	**854,710**	**842,596**	**84,254**	**1,781,560**
Additions for the year	272,637	521,331	61,523	855,491
Disposals for the year	(20,322)	(301,279)	(3,344)	(324,945)
Depreciation for the year	(299,361)	(178,399)	(44,594)	(522,354)
Impairment	-	(22,633)	-	(22,633)
Exchange differences	(23,381)	(102,847)	(4,297)	(130,525)
Acquisition of a subsidiary (Note 41)	44,385	-	-	44,385
Balance at 31 December 2023	**828,668**	**758,769**	**93,542**	**1,680,979**

Land and buildings include leased land on which towers have been constructed. It also includes towers leased by e&.

15. Subsidiaries

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

Name	Country of incorporation	Principal activity	Percentage shareholding 2023	2022
Emirates Cable TV and Multimedia LLC	UAE	Cable television services	100%	100%
Etisalat International Pakistan LLC	UAE	Holds investment in Pakistan Telecommunication Co. Ltd	90%	90%
E-Marine PJSC	UAE	Submarine cable activities	100%	100%
Etisalat Services Holding LLC	UAE	Infrastructure services	100%	100%
e& enterprise Cloud - Sole Proprietorship LLC	UAE	Technology solutions	100%	100%
Etisalat Afghanistan	Afghanistan	Telecommunications services	100%	100%
Etisalat Misr S.A.E.	Egypt	Telecommunications services	66.4%	66.4%
Atlantique Telecom S.A.	Ivory Coast	Telecommunications services	- (ix)	100%
Pakistan Telecommunication Company Limited	Pakistan	Telecommunications services	23% (i)	23% (i)
Etisalat Investment North Africa LLC	UAE	Holds investment in Société de Participation dans les Télécommunications (SPT)	100%	100.0%
Société de Participation dans les Télécommunications (SPT)	Kingdom of Morocco	Holds investment in Maroc Telecom	100%	100%
Etisalat Al Maghrib S.A (Maroc Telecom)	Kingdom of Morocco	Telecommunications services	53% (i)	53% (i)
Etisalat Mauritius Private Limited	Mauritius	Holds investment in Etisalat DB Telecom Private Limited	100%	100%
e& Enterprise Holding Limited	UAE	Holding Company	100%	100%
Ubiquitous Telecommunications Technology LLC	UAE	Installation and management of network systems	85%	85%
Help AG Abu Dhabi	UAE	Digital services	100%	100%
Help AG KSA	Kingdom of Saudi Arabia	Digital services	100%	100%
Future Etisalat for telecommunication & Information Technology KSA LLC	Kingdom of Saudi Arabia	Digital services	100%	100%
Solid FZCO	UAE	Mobile Phones and accessories trading	100%	100%
UTC Information Technology Network Services Co. LLC	UAE	Blockchain Enabled Financial Services	100%	100%
Digital Financial Services LLC (Note 41)	UAE	Mobile Financial Services	100%	100%
elGrocer DMCC (Note 41)	UAE	Online marketplace for groceries	100%	100% (ii)
e& enterprise iot & ai DWC LLC formerly Smart Technology Services DWC LLC "Smart World" (Note 41)	UAE	Installation and management of network systems	100%	100% (iii)
Playco Holding Limited "Starzplay" (Note 41)	Cayman Island	Subscription Video on Demand ("SVOD") and IPTV service	38%	38% (iv)
Service Souk DMCC	UAE	Online marketplace	100% (v)	-
Bespin Global Technologies Limited	UAE	Public cloud managed and professional services	65% (vi)	-
Beehive Group Holdings Limited	UAE	Online marketplace for peer-to- peer lending to SMEs	63.27% (vii)	-
Careem Technologies Holding Limited	UAE	Digital platform with integrated consumer centric digital services	50.03% (viii)	-

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15. Subsidiaries (continued)

(i) 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.

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

(iii) 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)

(iv) 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). (Note 41)

(v) On 6 February 2023, e& completed the acquisition of Service Souk DMCC ("Service Market"), acquiring 100% shareholding of the online marketplace. The purchase consideration for acquisition of Service Market is estimated to be AED 81 million, including payment linked to business performance portion due over a period of time. (Note 41)

(vi) On 25 May 2023, e& enterprise cloud, a wholly owned subsidiary of e&, completed the acquisition of 65% stake in Bespin Global Technologies Limited ("BGT"), offering public cloud managed and professional services. The remaining shareholding of BGT (i.e. 35%) is owned by Bespin Global Singapore PTE. Both shareholders contributed their existing businesses to BGT and contributed an initial cash injection of USD 10 million (AED 36.7 million) as capital on a pro-rata basis. (Note 41)

(vii) On 31 July 2023, e& completed the acquisition of 63.27% stake via a combination of both primary capital injection and acquisition of existing shares in Beehive Group Holdings Limited, the first regulated online marketplace for peer-to-peer lending to SMEs in the MENA region. (Note 41)

(viii) On 8 December 2023, e& successfully acquired 50.03% of Careem Technologies Holding Limited (CTHL) on a fully diluted basis in exchange for an investment of USD 400 million. CTHL is the new entity created by carving out the non-rideshare businesses from existing Careem entities for Careem's super-app business. (Note 41)

(ix) Effective from 17 April 2023, Atlantique Telecom S.A., a wholly owned subsidiary of e&, resolved to proceed with an amicable liquidation and dissolution. The Board of Directors have resigned and e& effectively lost control over the entity. Accordingly, this entity was deconsolidated and cumulative translation gain of AED 63.8 million was reclassified from other comprehensive income to profit or loss.

b) Disclosures relating to subsidiaries

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

AED'000	Maroc Telecom consolidated	PTCL consolidated	Etisalat Misr consolidated
		2023	
Information relating to non-controlling interests:			
Non-controlling interest (shareholding %)	47.0%	76.6%	33.6%
Revenue	5,957,448	1,912,146	1,230,745
Profit/(loss) for the year	1,060,328	(204,592)	119,062
Other comprehensive loss for the year	155,236	(446,181)	(249,137)
Total comprehensive income / (loss) for the year	**1,215,564**	**(650,773)**	**(130,075)**
Cash flows from operating activities	2,443,826	179,395	493,258
Cash flows (used in)/from investing activities	(1,462,843)	606,412	(186,894)
Cash flows used in financing activities	(1,167,563)	(742,822)	(238,339)
Dividends paid to non-controlling interests	(582,038)	-	(72,463)
Non-controlling interests as at 31 December	4,654,710	1,452,893	1,043,943
Summarised information relating to subsidiaries:			
Current assets	5,180,804	3,610,959	1,409,801
Non-current assets	31,457,775	6,475,417	5,384,229
Current liabilities	14,576,646	4,935,430	2,533,898
Non-current liabilities	3,294,369	4,360,919	1,069,135

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

c) Movement in non-controlling interests

The movement in non-controlling interests is provided below:

	2023 AED'000	2022 AED'000
As at 1 January	7,735,244	9,977,786
Total comprehensive income:		
Profit for the year	839,663	518,337
Remeasurement of defined benefit obligations - net of tax	(10,495)	(942)
Exchange differences on translation of foreign operations	(540,914)	(1,815,069)
(Loss)/gain on revaluation of investment classified as fair value through OCI	(308)	3,873
Fair value (loss)/gain arising on cash flow hedges	(2,652)	14,388
Other movement in equity	265,541	(12,321)
Transaction with owners of the Company:		
Acquisition of a subsidiary	860,560	218,232
Dividends	(730,830)	(1,169,040)
As at 31 December	**8,415,809**	**7,735,244**

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16. Share of results of associates and joint ventures

	2023 AED'000	2022 AED'000
Associates (Note 17 b)	757,201	413,565
Joint ventures (Note 17 g)	3,834	3,793
Total	**761,035**	**417,358**

17. Investment in associates and joint ventures

	2023 AED'000	2022 AED'000
Associates (Note 17 b)	8,967,174	8,259,307
Joint ventures (Note 17 g)	10,628	6,794
Total	**8,977,802**	**8,266,101**

a) Associates

Name	Country of incorporation	Principal activity	Percentage shareholding 2023	Percentage shareholding 2022
Etihad Etisalat Company ("Mobily")	Kingdom of Saudi Arabia	Telecommunications services	28%	28%
Hutch Telecommunications Lanka (Private) Limited ("Hutch") (i)	Sri Lanka	Telecommunications services	15%	15%
Wio Bank (ii)	UAE	Digital banking platform	25%	25%
Khazna Data Centre Holdings ("KDCHL") (iii)	UAE	Data Center Management	40%	40%
Newberry Global Limited (iv)	Hongkong	Multi-cloud solution provider	10%	-

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

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

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

(iv) On 25 May 2023, e& invested USD 60 million in Newberry Global Limited in exchange for 10% stake.

b) Movement in investments in associates

	Mobily 2023 AED'000	Mobily 2022 AED'000	All Associates 2023 AED'000	All Associates 2022 AED'000
Carrying amount at 1 January	4,719,620	4,405,649	8,259,307	4,405,649
Share of results (Note 16)	611,638	453,492	757,201	413,565
Additions during the year	-	-	220,350	3,576,889
Exchange differences	9,760	(3,855)	11,508	(3,855)
Dividends received	(242,719)	(179,415)	(242,719)	(179,415)
Share of other comprehensive income / (loss) – net of tax	(22,586)	43,749	(38,473)	46,474
Carrying amount at 31 December	**5,075,713**	**4,719,620**	**8,967,174**	**8,259,307**

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

	KDCHL 2023 AED'000	KDCHL 2022 AED'000	Mobily 2023 AED'000	Mobily 2022 AED'000	All Associates 2023 AED'000	All Associates 2022 AED'000
Net assets	4,927,923	4,647,373	17,258,401	15,986,362	22,798,177	22,488,431
Group share in net assets of associates	1,971,168	1,862,468	4,831,155	4,475,062	7,169,599	6,799,006
Purchase price allocation adjustments	1,151,854	1,151,854	-	-	1,489,128	1,151,854
Others *	-	-	244,558	244,558	308,447	308,447
	3,123,022	**3,014,322**	**5,075,713**	**4,719,620**	**8,967,174**	**8,259,307**

* Others include an amount of AED 150 million (2022: AED 150 million) relating to premium paid on rights issue in prior years.

d) Aggregated amounts relating to associates

	KDCHL 2023 AED'000	KDCHL 2022 AED'000	Mobily 2023 AED'000	Mobily 2022 AED'000	All Associates 2023 AED'000	All Associates 2022 AED'000
Current assets	1,721,389	1,573,806	9,303,639	9,495,288	15,446,893	11,352,359
Non-current assets	9,899,371	7,415,450	28,711,261	29,369,079	48,207,751	39,004,895
Current liabilities	(2,972,426)	(2,003,715)	(10,965,462)	(11,390,344)	(25,918,070)	(14,004,810)
Non-current liabilities	(3,720,411)	(2,338,168)	(9,791,037)	(11,487,661)	(14,938,397)	(13,864,013)
Net assets	**4,927,923**	**4,647,373**	**17,258,401**	**15,986,362**	**22,798,177**	**22,488,431**
Revenue	1,144,814	612,543	16,412,969	15,319,769	18,471,286	15,961,025
Profit	311,596	175,197	2,185,412	1,620,019	2,432,723	1,349,913
Total comprehensive income	280,549	190,906	2,104,726	1,776,306	2,321,505	1,513,010

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

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:

	2023 AED'000	2022 AED'000
Etihad Etisalat Company ("Mobily")	10,426,623	7,319,881

f) Joint ventures

Name	Country of incorporation	Principal activity	Percentage shareholding 2023	Percentage shareholding 2022
Emirates Facilities Management LLC	UAE	Facilities management	50%	50%

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17. Investment in associates and joint ventures (continued)

g) Movement in investment in joint ventures

	2023 AED'000	2022 AED'000
Carrying amount at 1 January	6,794	46,760
Share of results	3,834	3,793
Derecognition of Smart Technology Services DWC LLC	-	(36,246)
Dividends	-	(7,513)
Carrying amount at 31 December	**10,628**	**6,794**

h) Aggregated amounts relating to joint ventures

	2023 AED'000	2022 AED'000
Current assets (including cash and cash equivalents AED 28.8 million (2022: AED 18.45 million)	72,040	66,904
Non-current assets	2,324	2,317
Current liabilities (including trade and other payables and provisiotns of AED 50.0 million (2022: AED 50.28 million)	(50,395)	(50,774)
Non-current liabilities	(3,030)	(4,467)
Net assets	**20,939**	**13,980**
Revenue	102,263	181,033
Depreciation and amortisation	323	855
Interest expenses	-	60
Profit or loss	6,518	7,669

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

18. Other investments

	Fair value through profit and loss - Mandatory AED'000	Fair value through profit and loss - designated upon initial recognition AED'000	Fair value through other comprehensive income AED'000	Amortised cost AED'000	Total AED'000
At 1 January 2022	588,828	383,009	197,414	2,862,151	4,031,402
Additions	1,549,577	-	18,688,232	575,536	20,813,345
Disposals	(366,997)	-	(182,840)	(349,367)	(899,204)
Fair value changes	(13,971)	(30,417)	(5,724,804)	-	(5,769,192)
Exchange differences	(14,833)	(8,178)	(11,625)	(19,068)	(53,704)
At 31 December 2022	**1,742,604**	**344,414**	**12,966,377**	**3,069,252**	**18,122,647**
of which current	1,625,854	-	582,435	198,854	2,407,143
of which non-current	116,750	344,414	12,383,942	2,870,398	15,715,504
At 1 January 2023	1,742,604	344,414	12,966,377	3,069,252	18,122,647
Additions	267,186	-	3,857,991	4,320,444	8,445,621
Disposals	(1,583,802)	-	(497,979)	(1,103,291)	(3,185,072)
Fair value changes	(419)	2,226	(2,496,841)	-	(2,495,034)
Acquisition of subsidiaries (Note 41)	22,034	-	-	-	22,034
Exchange differences	(168,175)	-	(96,348)	(106,990)	(371,513)
At 31 December 2023	**279,428**	**346,640**	**13,733,200**	**6,179,415**	**20,538,683**
of which current	160,562	-	514,039	68,561	743,162
of which non-current	118,866	346,640	13,219,161	6,110,854	19,795,521

The financial assets at amortised cost includes investments in Sukuks and other bonds. These bonds will mature in two to six years. At 31 December 2023, the market value of the investment in these bonds was AED 5,071 million (2022: AED 2,116 million).

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 1,337 million (2022: AED 1,322 million), which are net of allowance for doubtful debts of AED 351 million (2022: AED 351 million), receivable from Federal Ministries and local bodies. See Note 7 for disclosure of the royalty payable to the Federal Government of the UAE.

In accordance with IAS 24 "Related Party Disclosures" , e& has elected to disclose qualitatively the transactions and balances with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence. The nature of the transactions and balances that e& has with such related parties is the provision of telecommunication services and procurement of services.

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19. Related party transactions and balances (continued)

b) Joint ventures and associates

	Associates		Joint Venture	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Trading transactions				
Telecommunication services – sales	200,891	310,094	-	-
Telecommunication services – purchases	61,815	134,931	-	15,768
Management and other services	60,722	30,592	3,834	3,766
Due from related parties as at 31 December	**68,118**	**86,852**	**6,244**	**25,467**

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.

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.

	2023 AED'000	2022 AED'000
Long- term benefits	1,129	1,109
Short-term benefits	84,063	63,608

20. Inventories

	2023 AED'000	2022 AED'000
Subscriber equipment	762,536	529,307
Maintenance and consumables	534,087	601,057
Obsolescence allowances	(206,438)	(157,489)
Inventories	**1,090,185**	**972,875**

Movement in obsolescence allowances

	2023 AED'000	2022 AED'000
At 1 January	157,489	163,713
Net decrease in obsolescence allowances	51,199	468
Exchange differences	(2,250)	(6,692)
At 31 December	**206,438**	**157,489**
Inventories recognised as an operating expense within direct cost of sales during the year	4,157,266	3,185,802

21. Trade and other receivables

	2023 AED'000	2022 AED'000
Amount receivable for services rendered	10,711,609	10,165,615
Amounts due from other telecommunication operators/carriers	2,634,158	3,116,546
Total gross carrying amount	**13,345,767**	**13,282,161**
Lifetime expected credit loss	(3,172,928)	(3,153,474)
Net trade receivables	**10,172,839**	**10,128,687**
Prepayments	823,841	705,846
Accrued income	1,064,512	738,443
Advances to suppliers	1,426,516	1,168,158
Indirect taxes receivable	443,961	468,350
Dividend receivable	720,431	499,197
Other receivables	2,245,661	2,385,335
At 31 December	**16,897,761**	**16,094,016**
Total trade and other receivables	**16,897,761**	**16,094,016**
of which current trade and other receivables	16,397,865	15,647,768
of which non-current other receivables	499,896	446,248

e&'s normal credit terms ranges between 30 and 120 days (2022: 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.

Trade receivable - as on 31 December 2023	Upto 60 days AED'000	61-90 days AED'000	91-365 days AED'000	Over one year AED'000	Total AED'000
Expected credit loss rate	0%-38%	0% - 51%	0% - 66%	3%-100%	
Gross carrying amount	4,404,426	883,294	1,915,590	6,142,457	13,345,767
Lifetime expected credit loss	(341,263)	(113,839)	(588,376)	(2,129,450)	(3,172,928)
Net trade receivables	**4,063,163**	**769,455**	**1,327,214**	**4,013,007**	**10,172,839**

Trade receivable - as on 31 December 2022	Upto 60 days AED'000	61-90 days AED'000	91-365 days AED'000	Over one year AED'000	Total AED'000
Expected credit loss rate	0%-38%	0% - 60%	0% - 100%	8%-100%	
Gross carrying amount	4,462,995	791,866	1,792,097	6,235,203	13,282,161
Lifetime expected credit loss	(324,906)	(82,317)	(459,912)	(2,286,339)	(3,153,474)
Net trade receivables	**4,138,089**	**709,549**	**1,332,185**	**3,948,864**	**10,128,687**

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21. Trade and other receivables (continued)

Movement in lifetime Expected Credit Losses:

	2023 AED'000	2022 AED'000
At 1 January	3,153,474	3,373,088
Net increase/(decrease) in allowance for doubtful debts, net of write offs	1,395	(52,981)
Acquisition of subsidiary	9,650	14,458
Exchange differences	8,409	(181,091)
At 31 December	**3,172,928**	**3,153,474**

No interest is charged on the trade receivable balances. With respect to the amounts receivable from the services rendered, the Group holds AED 187 million (2022: AED 226 million) of collateral in the form of cash deposits from customers. Collateral with fair value of AED 586 million (2022: AED 544 million) are held against loans to customers.

22. Contract assets

	2023 AED'000	2022 AED'000
Cost to acquire	472,425	428,880
Cost to fulfill	417,729	232,819
Unbilled revenue	2,193,192	1,719,987
	3,083,346	**2,381,686**
of which current contract assets	2,545,688	1,824,918
of which non-current contract assets	537,658	556,768
	3,083,346	**2,381,686**

23. Finance lease receivables

	2023 AED'000	2022 AED'000
Current finance lease receivables	152,443	195,533
Non-current finance lease receivables	1,442,979	1,138,181
	1,595,422	**1,333,714**

23.1 Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Amounts receivable under finance lease				
Within one year	236,759	254,288	174,987	206,772
One to two years	218,107	170,893	163,757	129,001
Two to three years	207,430	222,170	160,499	184,541
Three to four years	158,071	116,408	117,382	88,993
Four to five years	158,071	116,408	121,635	92,089
After 5 years	1,065,810	782,939	928,421	700,476
	2,044,248	**1,663,106**	**1,666,681**	**1,401,872**
Less: future finance income	(377,567)	(261,234)	-	-
	1,666,681	**1,401,872**	**1,666,681**	**1,401,872**
Allowances for uncollectible lease payments	(71,259)	(68,158)	(71,259)	(68,158)
	1,595,422	**1,333,714**	**1,595,422**	**1,333,714**

e& recognizes lifetime expected credit loss (ECL) for finance lease receivables using the simplified approach. The expected credit losses on these financial assets are estimated using external credit data which incorporating general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately is from 4.0% to 6.5% per annum (2022: 4.0% to 6.5% per annum). During the year, e& recognised interest income from finance lease receivables of AED 56.1 million (2022: AED 33.4 million). There was no selling profit or loss recognised for the new leases in 2023 and 2022. The expected credit loss rate for the year is ranging from 0.30% to 52.27% (2022: from 0.13% to 36.92%).

24. Cash and cash equivalents

	2023 AED'000	2022 AED'000
Maintained in UAE	14,159,630	25,508,121
Maintained overseas, unrestricted in use	14,486,893	7,117,467
Maintained overseas, restricted in use	342,864	213,894
Cash and bank balances	**28,989,387**	**32,839,482**
Less: Deposits with maturities exceeding three months from the date of deposit	(18,816,801)	(29,637,287)
Cash and cash equivalents	**10,172,586**	**3,202,195**

The carrying amount of these assets approximates to their fair value.

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25. Trade and other payables

	2023 AED'000	2022 AED'000
Current		
Federal royalty	6,320,850	5,770,780
Trade payables	6,202,528	6,532,655
Amounts due to other telecommunication administrators	2,808,453	3,487,196
Accruals	8,210,980	8,645,615
Other taxes payable	1,841,425	1,715,682
Advances from customers	319,629	354,993
Deferred income	251,272	189,218
Funds payable and amounts due to customers	2,081,604	2,108,522
Other payables	1,506,993	1,779,294
At 31 December	**29,543,734**	**30,583,955**
Non-current		
Other payables and accruals	1,763,257	1,247,240
At 31 December	**1,763,257**	**1,247,240**

Federal royalty for the year ended 31 December 2023 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 2023.

26. Contract liabilities

	2023 AED'000	2022 AED'000
Current		
Deferred revenues	2,673,467	2,788,395
Material right / customer loyalty	177,582	203,326
	2,851,049	**2,991,721**
Non-current		
Deferred revenues	91,805	97,855
	91,805	**97,855**

27. Borrowings

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

	Fair Value		Carrying Value	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Bank borrowings				
Short term bank borrowings	4,692,829	4,973,756	5,057,999	5,307,357
Bank loans	26,957,424	28,218,229	32,401,727	31,341,724
Other borrowings				
Bonds	10,009,627	9,498,213	10,692,026	10,374,199
Vendor financing	213,319	224,553	266,589	297,414
Others	62,690	71,454	80,048	91,239
	41,935,889	**42,986,205**	**48,498,389**	**47,411,933**
Advance from non-controlling interests			542,276	542,276
Total borrowings			**49,040,665**	**47,954,209**
of which due within 12 months			13,190,573	23,744,566
of which due after 12 months			35,850,092	24,209,643

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 3,672 million (2022: AED 4,644 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.

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.

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27. Borrowings (continued)

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 2023, the total amounts in issue under GMTN programme split by currency are USD 0.5 billion (AED 1.84 billion) and Euro 2.2 billion (AED 8.6 billion) as follows:

	Nominal Value	Fair Value	Carrying Value
	2023 AED'000	2023 AED'000	2023 AED'000
Bonds			
3.500% US dollar 500 million notes due 2024	1,836,250	1,818,310	1,830,761
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	2,029,230	1,786,635	2,021,535
0.875% Euro 500 million notes due 2033	2,029,230	1,624,824	1,997,900
2.750% Euro 1,200 million notes due 2026	4,870,150	4,779,858	4,841,831
At 31 December 2023	**10,764,860**	**10,009,627**	**10,692,027**
of which due after 12 months			1,830,761
of which due after 12 months			8,861,266

	Nominal Value	Fair Value	Carrying Value
	2022 AED'000	2022 AED'000	2022 AED'000
Bonds			
3.500% US dollar 500 million notes due 2024	1,836,250	1,802,757	1,830,760
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	1,959,503	1,654,584	1,950,381
0.875% Euro 500 million notes due 2033	1,959,503	1,447,641	1,926,196
2.750% Euro 1,200 million notes due 2026	4,702,806	4,593,231	4,666,862
At 31 December 2022	**10,458,062**	**9,498,213**	**10,374,199**
of which due after 12 months			-
of which due after 12 months			10,374,199

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

	Year of last repayment	Currency	Interest rate	Carrying Value 2023 AED'000	Carrying Value 2022 AED'000
Variable interest borrowings					
Unsecured bank loans	2026	USD	SOFR + .45%	16,179,899	-
Unsecured bank loans	2023	USD	SOFR + .35%	-	16,148,070
Unsecured bank loans	2025	AED	EIBOR 3M + 0.45%	6,945,675	5,465,808
Secured bank loans	2023	USD	3M LIBOR and 1.7% to 2.05%	-	220,166
Unsecured bank loans	2024	EGP	Lending Corridor minus 0.5%	209,544	369,099
Unsecured bank loans	2024 -2026	USD	3 Month SOFR + 0.9%	3,027,171	2,658,237
Unsecured vendor financing	2024	PKR	6.43% to 9.34%	266,589	297,414
Unsecured short term bank borrowings	2026	USD	3M SOFR+CAS	439,844	439,143
Secured bank loans	2024	PKR	KIBOR+0.05% to .15%	39,469	80,772
Secured short term bank borrowings	2024	PKR	3 Month KIBOR + (0.1% to 0.5%) 1 Month KIBOR + (0.15% to .25%)	542,806	438,897
Unsecured bank loans	2024-2028	EGP	Lending Corridor plus 0.15% to 0.50%	462,847	255,886
Unsecured bank loans	2024	AED	EIBOR + 0.55%	1,997,249	1,994,078
Secured bank loans	2023	PKR	1 Month KIBOR - 1% 1 Month KIBOR (+ 0.85%)	-	368,912
Secured bank loans	2023-2027	PKR	6 Month KIBOR + (0.65% to 3.5%)	36,669	53,837
Secured bank loans	2024-2029	PKR	3 Month KIBOR + (0.15% to 0.6%)	1,239,814	1,047,469
Unsecured bank loans	2024-2028	PKR	6 Month KIBOR - 1% to +3.5%	37,186	22,589
Fixed interest borrowings					
Unsecured short term bank borrowings	2024	MAD	3.16%	2,679,876	3,109,170
Secured bank loans	2023	FCFA	5.25%	-	38,090
Secured short term bank borrowings	2024	FCFA	5.55%	72,307	118,556
Secured short term bank borrowings	2024	PKR	6.65%	92,667	60,050
Unsecured short term bank borrowings	2024	FCFA	5.75% to 8.5%	876,678	650,929
Unsecured bank loans	2028 onwards	FCFA	5.0% to 7.1%	456,821	327,177
Secured bank loans	2024-2030	FCFA	5.3% to 7.3%	828,622	680,346
Unsecured bank loans	2024-2027	FCFA	1% to 13%	823,307	814,877
Secured bank loans	2024-2028	PKR	1.35%-24.99%	299,256	1,081,353
Other borrowings					
Advance from non-controlling interest	N/A	USD	Interest free	542,276	542,276
Unsecured bonds	2024	USD	3.5%	1,830,761	1,830,761
Unsecured bonds	2026	EURO	2.8%	4,841,831	4,666,862
Unsecured bonds	2028	EURO	0.375%	2,021,535	1,950,381
Unsecured bonds	2033	EURO	0.875%	1,997,900	1,926,196
Others	Various	Various	Various	252,066	296,808
Total Borrowings				**49,040,665**	**47,954,209**

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27. Borrowings (continued)

a) Interest rates

The weighted average interest rate paid during the year on bank and other borrowings is set out below:

	2023	2022
Bank borrowings	5.7%	4.5%
Other borrowings	5.7%	4.4%

b) Available facilities

At 31 December 2023, e& had AED 16,150 million (2022: AED 26,568 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

c) Reconciliation of liabilities arising from financing activities

The table below details changes in e&'s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in e&'s consolidated statement of cash flows from financing activities.

	2023		2022	
	Borrowings AED'000	Lease liabilities AED'000	Borrowings AED'000	Lease liabilities AED'000
As at 1 January	47,954,209	3,145,210	25,732,285	2,654,050
Additions	-	1,492,558	-	1,777,247
Proceeds	26,410,721	-	30,439,982	-
Repayments during the year	(25,160,947)	(1,043,937)	(6,646,006)	(707,205)
Acquisition of a subsidiary	-	47,756	102,139	2,323
Exchange differences	(163,318)	(178,886)	(1,674,191)	(581,205)
As at 31 December	**49,040,665**	**3,462,701**	**47,954,209**	**3,145,210**

28. Hedge accounting and derivatives

In prior years, Euro bonds issued (refer to Note 27) and interest rate swap have been designated as net investment hedges and cash flow hedges respectively. The effective portion of the hedge instruments is reported in the other comprehensive income is as follow:

Effective part directly recognized in other comprehensive (loss) / income	2023 AED'000	2022 AED'000
Other comprehensive (loss)/income on net investment hedge	(306,799)	545,895
Other comprehensive (loss)/income on cash flow hedges	(82,738)	209,110
Total effective part directly recognised in other comprehensive income / (loss)	**(389,537)**	**755,005**
Fair value of derivative financial instruments		
Fair value of forward contracts and options	3,831	47,047
Fair value of derivative swaps	77,273	164,530
	81,104	**211,577**
These derivative financial instruments are included as following in the consolidated statement of financial position:		
Current assets	67,550	3,357
Non-current assets	39,249	208,220
Current liabilities	(25,695)	-
Net amount	**81,104**	**211,577**

The fair value of bonds designated as hedge is disclosed in Note 27.

e& has received cash of AED 2.2 million (2022: AED 1.9 million) on maturity of derivatives during the year.

29. Payables related to investments and licenses

	Current AED'000	Non-current AED'000	Total AED'000
At 31 December 2023			
Investments			
Beehive	-	10,345	10,345
Service Market	13,362	15,755	29,117
Help AG	-	56,802	56,802
El Grocer	-	4,760	4,760
Licenses			
PTCL Group	1,662	148,717	150,379
	15,024	**236,379**	**251,403**
At 31 December 2022			
Investments			
Atlantique Telecom S.A.	11,022	-	11,022
Help AG	-	77,089	77,089
El Grocer	-	4,760	4,760
Licenses			
PTCL Group	2,664	220,401	223,065
	13,686	**302,250**	**315,936**

All amounts payable on acquisitions are financial liabilities measured at amortised cost and are mostly denominated in either USD, AED or PKR.

30. Lease liabilities

i) e& as a lessee

Details of e&'s lease liabilities are as follows:

	Carrying Value	
	2023 AED'000	2022 AED'000
Contractual undiscounted cash flow		
Within one year	754,163	693,973
Between 2 and 5 years	2,095,294	1,919,223
After 5 years	1,886,315	1,879,824
Total undiscounted lease liabilities	**4,735,772**	**4,493,020**
Lease liabilities included in the consolidated statement of financial position		
of which due within 12 months	568,557	542,233
of which due after 12 months	2,894,144	2,602,977

It is e& policy to lease certain of its plant and machinery. For the year ended 31 December 2023, the average effective borrowing rate was from 2.65% to 24.09% (2022: 2.27% to 17.22%). The fair value of e&'s lease obligations is approximately equal to their carrying value.

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30. Lease liabilities (continued)

Amounts recognized in profit or loss

	2023 AED'000	2022 AED'000
Interest on lease liabilities	238,718	274,404
Expenses relating to short-term leases	1,791	6,693

Amounts recognized in the statement of cash flow

	2023 AED'000	2022 AED'000
Total cash outflow from leases	1,043,937	707,205

31. Provisions

	Asset retirement obligations AED'000	Other AED'000	Total AED'000
At 1 January 2022	304,635	4,343,008	4,647,643
Additional provision during the year	8,519	1,368,782	1,377,301
Utilization of provision	(1,023)	(415,935)	(416,958)
Release of provision	-	(51,934)	(51,934)
Unwinding of discount and other adjustments	9,668	4,499	14,167
Exchange differences	(8,836)	(151,029)	(159,865)
At 31 December 2022	**312,963**	**5,097,391**	**5,410,354**
Included in current liabilities	-	5,028,677	5,028,677
Included in non-current liabilities	312,963	68,714	381,677
At 1 January 2023	**312,963**	**5,097,391**	**5,410,354**
Additional provision during the year	12,709	650,529	663,238
Utilization of provision	(1,017)	(439,036)	(440,053)
Release of provision	-	(238,716)	(238,716)
Unwinding of discount	9,814	-	9,814
Exchange differences	(3,247)	4,865	1,618
At 31 December 2023	**331,222**	**5,075,033**	**5,406,255**
Included in current liabilities	-	5,039,163	5,039,163
Included in non-current liabilities	331,222	35,870	367,092
At 31 December 2023	**331,222**	**5,075,033**	**5,406,255**

Asset retirement obligations relate to certain assets held by the Group that will require restoration at a future date that has been approximated to be equal to the end of the useful economic life of the assets. There are no expected reimbursements for these amounts.

"Other" includes provisions relating to certain tax and other regulatory related items, including provisions relating to certain Group's overseas subsidiaries. Information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets has not been disclosed in these consolidated financial statements due to commercial sensitivities.

Furthermore, e& had a balance payable of AED 2,937 million to the Government of Pakistan (the "GoP"), the payment of which is subject to the fulfillment of certain conditions in the share purchase agreement relating to the transfer of certain assets to PTCL. In 2019, after having considered its contractual rights, e& assessed its best estimate of this balance payable and released an amount of AED 1,469 million to profit or loss and maintained remaining provision of AED 1,468 million, the estimate of which remains valid as at 31 December 2023.

32. Provision for employees' end of service benefits

The liabilities recognised in the consolidated statement of financial position are:

	2023 AED'000	2022 AED'000
Funded Plans		
Present value of defined benefit obligations	2,024,318	2,243,500
Less: Fair value of plan assets	(2,019,336)	(2,241,024)
	4,982	**2,476**
Unfunded Plans		
Present value of defined benefit obligations and other employee benefits	1,327,452	1,276,938
Total	**1,332,434**	**1,279,414**
of which included in current liabilities	138,189	113,280
of which included in non-current liabilities	1,194,245	1,166,134

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

	2023 AED'000	2022 AED'000
As at 1 January	3,520,438	4,084,553
Acquisition of subsidiary (Note 41)	37,411	12,131
Current service cost	96,472	115,564
Interest cost	284,771	293,146
Actuarial (gain)/loss arising from changes in assumptions	4,596	(20,266)
Remeasurements	102,393	38,611
Benefits paid	(236,512)	(268,198)
Exchange differences	(457,799)	(735,103)
As at 31 December	**3,351,770**	**3,520,438**

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

	2023 AED'000	2022 AED'000
As at 1 January	2,241,024	2,749,724
Interest income	213,595	227,531
Return on plan assets excluding amounts included in interest income	98,818	43,153
Contributions received	15,260	21,723
Benefits paid	(136,055)	(177,705)
Exchange differences	(413,306)	(623,402)
As at 31 December	**2,019,336**	**2,241,024**

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32. Provision for employees' end of service benefits (continued)

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

	2023 AED'000	2022 AED'000
Current service cost	96,472	115,564
Net interest cost	71,176	65,615
	167,648	**181,179**

Plan assets for funded plan are comprised as follows:

	2023 AED'000	2022 AED'000
Debt instruments - unquoted	781,556	1,231,413
Cash and cash equivalents	786,986	682,075
Investment property	230,208	200,783
Fixed assets	120	155
Other assets	240,706	149,223
Less: liabilities	(20,240)	(22,625)
	2,019,336	**2,241,024**

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

	2023 AED'000	2022 AED'000
Discount rate	4.15% to 14.5%	4.1% to 12.5%
Average annual growth rate of salary	1% to 10.25%	1% to 10.25%
Average duration of obligation	5 Years to 20 Years	5 Years to 20 Years
Expected withdrawal rate	1) High; service based rate 2) Based on experience	1) High; service based rate 2)Based on experience
Mortality Rate	0.33%	0.33%

Sensitivity Analysis

The calculations of the defined benefit obligations are sensitive to the significant actuarial assumptions set out above. The table below summarizes how the defined benefit obligations at the end of the reporting period would have increased / (decreased) as a result of change in the respective assumptions.

	Decrease by Assumption rate of 0.5%		Increase by Assumption rate of 0.5%	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Discount rate	629,626	703,083	(690,151)	(656,201)
Average annual growth rate of salary	(550,950)	(578,750)	591,843	612,857

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 58 million. This is the amount by which liability is expected to increase. The amount of remeasurement, to be recognised in the next one year, will be worked out as at the next valuation.

Debt instrument comprises of bonds issued by Government of Pakistan and are rated B-, based on (Fitch rating agency) ratings.

The expense recognised in profit or loss relating to defined contribution plan at the rate specified in the rules of the plans amounting to AED 166 million (2022: AED 142 million).

33. Share capital

	2023 AED'000	2022 AED'000
Authorised:		
10,000 million (2022: 10,000 million) ordinary shares of AED 1 each	10,000,000	10,000,000
Issued and fully paid up:		
8,696.8 million (2022: 8,696.8 million) ordinary shares of AED 1 each	8,696,754	8,696,754

On 21 March 2018, the Etisalat Annual General Meeting approved the Company's buyback of its shares within a maximum of 5% of its paid-up capital, for the purpose of cancelling or re-selling such shares, after obtaining approval of competent authorities. The Company obtained the approval from the Securities and Commodities Authority on 24 September 2018 and subsequently renewed on 13 October 2019 to buyback 5% of the subscribed shares which amounted to 434,837,700 shares.

On 22 February 2021, the Board of Directors proposed the cancellation of the share buyback program and instead proposed a one-time special dividend of AED 0.40 per share which were both approved in the Etisalat Annual General Meeting held on 17 March 2021.

34. Reserves

The movement in the reserves is provided below:

	2023 AED'000	2022 AED'000
Balance at 1 January	20,240,124	28,598,188
Total comprehensive income for the year	(3,011,124)	(8,399,796)
Transfer from retained earnings	135,905	42,100
Other movements	-	(368)
As at 31 December	**17,364,905**	**20,240,124**

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34. Reserves (continued)

The movement for each type of reserves is provided below:

	2023 AED'000	2022 AED'000
Translation reserve		
As at 1 January	(9,999,188)	(7,094,381)
Exchange differences on translation of foreign operations	(29,874)	(3,450,702)
(Loss)/gain on hedging instruments designated in hedges of the net assets of foreign operations	(306,799)	545,895
Cumulative gain transferred to profit or loss on deconsolidation of a subsidiary	(63,775)	-
As at 31 December	**(10,399,636)**	**(9,999,188)**
Investment revaluation reserve		
As at 1 January	(5,737,848)	44,079
(Loss) / gain on revaluation	(2,497,317)	(5,736,557)
Other movements	-	(368)
Transfer from investment revaluation reserve to retained earnings	-	(45,002)
As at 31 December	**(8,235,165)**	**(5,737,848)**
Development reserve	**7,850,000**	**7,850,000**
Cash flow hedge reserve		
As at 1 January	190,159	(51,409)
Gain / (loss) on revaluation	(113,359)	241,568
As at 31 December	**76,800**	**190,159**
Asset replacement reserve	**8,281,600**	**8,281,600**
Statutory reserve		
As at 1 January	5,560,646	5,473,544
Transfer from retained earnings	12,022)	87,102
As at 31 December	**5,548,624**	**5,560,646**
General reserve		
As at 1 January	14,094,756	14,094,756
Transfer from retained earnings	147,927	-
General reserve	**14,242,683**	**14,094,756**

a) Development reserve, asset replacement reserve and general reserve

These reserves are all distributable reserves and comprise amounts transferred from unappropriated profit at the discretion of e& to hold reserve amounts for future activities including the issuance of bonus shares.

b) Statutory reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021, and the respective Articles of Association of some of e&'s subsidiaries, 10% of their respective annual profits should be transferred to a non-distributable statutory reserve. The Company's share of the reserve has accordingly been disclosed in the consolidated statement of changes in equity.

c) Translation reserve

Cumulative foreign exchange differences arising on the translation of overseas operations are taken to the translation reserve.

d) Investment revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI, net of cumulative gain/loss transferred to retained earnings upon disposal.

35. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases of recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Capital management

e&'s capital structure is as follows: 2023 2022

	2023 AED'000	2022 AED'000
Bank borrowings	(37,459,726)	(36,649,081)
Bonds	(10,692,026)	(10,374,199)
Other borrowings	(888,913)	(930,929)
Lease liabilities	(3,462,701)	(3,145,210)
Cash and bank balances	28,989,387	32,839,482
Net funds	**(23,513,979)**	**(18,259,937)**
Total equity	51,073,703	49,999,100

The capital structure of e& consists of bonds, bank and other borrowings, lease obligations, cash and bank balances and total equity comprising share capital, reserves and retained earnings.

e& monitors the balance between equity and debt financing and establishes internal limits on the maximum amount of debt relative to earnings. The limits are assessed, and revised as deemed appropriate, based on various considerations including the anticipated funding requirements of e& and the weighted average cost of capital. The overall objective is to maximise returns to its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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35. Financial instruments (continued)

Categories of financial instruments

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

	2023 AED'000
Financial assets	
Amortised cost financial assets:	
Due from related parties	74,362
Finance lease receivables	1,595,422
Trade and other receivables, excluding prepayments and advances to suppliers	14,647,404
Cash and bank balances	28,989,387
Investment carried at amortised cost	6,179,415
	51,485,990
Financial assets carried at fair value through OCI	13,733,200
Fair value through profit or loss	626,068
Derivative financial instruments	106,799
	65,952,057
Financial liabilities	
Other financial liabilities held at amortised cost:	
Trade and other payables, excluding deferred revenue and advances from customers	30,736,090
Borrowings	49,040,665
Payables related to investments and licenses	251,403
Lease liabilities	3,462,701
Derivative financial instruments	25,695
	83,516,554

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

	2022 AED'000
Financial assets	
Loans and receivables, held at amortised cost:	
Due from related parties	112,319
Finance lease receivables	1,333,714
Trade and other receivables, excluding prepayments and advances to suppliers	14,220,012
Cash and bank balances	32,839,482
Investment carried at amortised cost	3,069,252
	51,574,779
Financial assets carried at fair value through OCI	12,966,377
Fair value through profit or loss	2,087,018
Derivative financial instruments	211,577
	66,839,751
Financial liabilities	
Other financial liabilities held at amortised cost:	
Trade and other payables, excluding deferred revenue and advances from customers	31,286,984
Borrowings	47,954,209
Payables related to investments and licenses	315,936
Lease liabilities	3,145,210
	82,702,339

Financial risk management objectives

e&'s corporate finance function monitors the domestic and international financial markets relevant to managing the financial risks relating to the operations of e&. Any significant decisions about whether to invest, borrow funds or purchase derivative financial instruments are approved by either the Board of Directors or the relevant authority of either e& or of the individual subsidiary. e&'s risk includes market risk, credit risk and liquidity risk.

e& takes into consideration several factors when determining its capital structure with the aim of ensuring sustainability of the business and maximizing the value to shareholders. e& monitors its cost of capital with a goal of optimizing its capital structure. In order to do this, e& monitors the financial markets and updates to standard industry approaches for calculating weighted average cost of capital, or WACC. e& also monitors a net financial debt ratio to obtain and maintain the desired credit rating over the medium term, and with which e& can match the potential cash flow generation with the alternative uses that could arise at all times. These general principles are refined by other considerations and the application of specific variables, such as country risk in the broadest sense, or the volatility in cash flow generation, or the applicable tax rules, when determining e&'s financial structure.

a) Market risk

e&'s activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and price risks on equity investments. From time to time, e& will use derivative financial instruments to hedge its exposure to currency risk. There has been no material change to e&'s exposure to market risks or the manner in which it manages and measures the risk during the year.

Foreign currency risk

The Company's presentation/functional currency is United Arab Emirates Dirham ("AED"). Foreign currency risk arises from transactions denominated in foreign currencies and net investments in foreign operations.

e& has foreign currency transactional exposure to exchange rate risk as it enters into contracts in other than the functional currency of the entity (mainly USD and Euro). e& entities also enter into contracts in it's functional currencies including Egyptian Pounds, Pakistani Rupee, Afghani, and Moroccan Dirham. Etisalat UAE also enters into contracts in USD which is pegged to AED. Maroc Telecom enters into Euro contracts as Moroccan Dirham is 60% pegged to Euro. e& enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts, interest rate swaps and cross currency swaps.

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35. Financial instruments (continued)

In addition to transactional foreign currency exposure, a foreign currency exposure arises from net investments in e& entities whose functional currency differs from e&'s presentation currency (AED). The risk is defined as the risk of fluctuation in spot exchange rates between the functional currency of the net investments and e&'s presentation currency. This will cause the amount of the net investment to vary. Such a risk may have a significant impact on e&'s consolidated financial statements. Foreign currency translation risk may be mitigated through designation of net investment hedge relationships provided there is an economic relationship exists between the hedge item and the hedging instrument.

This translation risk does not give rise to a cash flow exposure. Its impact arises only from the translation of the net investment into e&'s presentation currency. This procedure is required in preparing e&'s consolidated financial statements as per the applicable IFRS.

The cross currency swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Company's functional currency. The fair value of a cross currency swap is determined using standard methods to value cross currency swaps and is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. The key inputs are the yield curves, basis curves and foreign exchange rates. In accordance with the fair value hierarchy within IFRS 7 Financial Instruments: Disclosure, the fair value of cross currency swaps represent Level 2 fair values.

Foreign currency sensitivity

The following table presents e&'s sensitivity to a 10 per cent change in the AED against the Egyptian Pound, the Euro, the Pakistani Rupee, Moroccan Dirham and Central African Franc. These five currencies account for a significant portion of the impact of net profit, which is considered to be material within e&'s financial statements in respect of subsidiaries and associates whose functional currency is not the AED. The impact has been determined by assuming a weakening in the foreign currency exchange of 10% upon closing foreign exchange rates. A positive number indicates an increase in the net cash and borrowings balance if the AED/USD were to strengthen against the foreign currency.

	Impact on profit and loss		Impact on equity	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Increase in profit and in equity				
Egyptian pounds	18,862	270	18,862	270
Euros	(11,036)	(3,788)	875,091	850,556
Pakistani rupees	232,759	327,060	232,759	327,060
Moroccan Dirhams	268,543	305,966	268,543	305,966
Central African Franc	277,219	218,527	277,219	218,527

Interest rate risk

e& is exposed to interest rate risk as entities in e& borrow funds at both fixed and floating interest rates. e& monitors the market interest rates in comparison to its current borrowing rates and determines whether or not it believes it should take action related to the current interest rates. This includes a consideration of the current cost of borrowing, the projected future interest rates, the cost and availability of derivate financial instruments that could be used to alter the nature of the interest and the term of the debt and, if applicable, the period for which the interest rate is currently fixed.

Interest rate sensitivity

Based on the borrowings outstanding at 31 December 2023, 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 618 million (2022: AED 406 million). This impact is primarily attributable to e&'s exposure to interest rates on its variable rate borrowings.

Other price risk

e& is exposed to equity price risks arising from its unlisted and listed equity investments. Equity investments are mainly held for trading purposes and held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. See Note 18 for further details on the carrying value of these investments

If equity price had been 5% higher or lower:

- profit for the year ended 31 December 2023 would increase/decrease by AED 5.2 million (2022: AED 6.6 million) 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 2023 would increase/decrease by AED 643 million (2022: increase/decrease by AED 616 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, trade other receivables, finance lease receivables, amounts due from related parties and derivative financial instruments. e& has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. e&'s exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For its surplus cash investments, e& considers various factors in determining with which banks and /corporate to invest its money including but not limited to the financial health, Government ownership (if any), the rating of the bank by rating agencies The assessment of the banks and the amount to be invested in each bank is assessed annually or when there are significant changes in the marketplace.

Group's bank balance	2023 AED'000	2022 AED'000
Investment in UAE	49%	78%
Investment outside of the UAE	51%	22%

Cash and Bank Balances

	2023		2022	
Bank rating for Investment in UAE	AED	Rating	AED	Rating
By Moody's	4.8 billion	A3	.9 billion	A3
	1.9 billion	Baa1	3.9 billion	Baa1
	3.1 billion	A1	8.9 billion	A1
	1.5 billion	Aa3	13.2 billion	Aa3
	10.3 billion	Aa2	2.6 billion	A2
By S&P	2.7 billion	A	-	A
	1.4 billion	A+	-	A+
	0.6 billion	A-	-	A-
Other reputable financial institutions	2.7 billion		3.3 billion	

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.

The derivatives are entered into banks and financial institution counterparties, which are rated AA- to AA+, based Moody's and S&P ratings.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows :

	2023 AED'000	2022 AED'000
Allowances on trade receivables and contract assets	805,764	757,287
Allowances on due from other telecommunication operators/carriers	91,865	41,704
Allowance on finance lease receivables	2,201	4,479
Total loss on allowances	**899,830**	**803,470**

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

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35. Financial instruments (continued)

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of e&'s short, medium and long-term funding and liquidity management requirements. e& manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The details of the available undrawn facilities that e& has at its disposal at 31 December 2023 to further reduce liquidity risk is included in Note 27. The majority of e&'s financial liabilities as detailed in the consolidated statement of financial position are due within one year.

Financial liabilities are repayable as follows:

AED'000	Trade and other payables*	Borrowings	Payables related to investments and licenses	Lease liabilities	Derivative financial liabilities	Total
On demand or within one year	28,972,833	13,120,158	15,427	754,163	25,074	42,887,655
In the second year	1,445,532	8,251,386	83,329	511,687		10,291,934
In the third to fifth years inclusive	277,528	25,396,613	157,150	1,583,607		27,414,898
After the fifth year	40,197	2,392,909	-	1,886,315	-	4,319,421
As At 31 December 2023	**30,736,090**	**49,161,066**	**255,906**	**4,735,772**	**25,074**	**84,913,908**
On demand or within one year	30,039,744	23,949,092	13,686	693,973	-	54,696,495
In the second year	880,846	7,898,726	21,274	470,441	-	9,271,287
In the third to fifth years inclusive	328,085	12,681,711	284,288	1,448,782	-	14,742,866
After the fifth year	38,309	4,177,625	-	1,879,824	-	6,095,758
As At 31 December 2022	**31,286,984**	**48,707,154**	**319,248**	**4,493,020**	**-**	**84,806,406**

The above table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which e& can be required to pay. The table includes both interest and principal cash flows.

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

d) Fair value measurement of financial assets and liabilities

	Carrying value AED'000	Fair value hierarchy as at 31 December 2023 Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets					
Finance lease receivables	1,595,422	-	1,538,112	-	1,538,112
Investment carried at amortised cost	6,179,415	5,070,903	-	976,305	6,047,208
Financial assets classified at fair value through OCI	13,733,200	12,637,030	515,147	581,023	13,733,200
Financial assets carried at fair value through profit or loss	626,068	424,272	136,130	65,666	626,068
Derivative financial liabilities	106,799		106,799		106,799
	22,240,904	**18,132,205**	**2,296,188**	**1,622,994**	**22,051,387**
Financial liabilities					
Borrowings	49,040,665	10,009,627	32,468,538	-	42,478,165
Lease liabilities	3,462,701	-	3,462,701	-	3,462,701
Derivative financial liabilities	25,695	-	25,695	-	25,695
	52,529,061	**10,009,627**	**35,956,934**	**-**	**45,966,561**

	Carrying value AED'000	Fair value hierarchy as at 31 December 2022 Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets					
Finance lease receivables	1,333,714	-	1,320,177	-	1,320,177
Investment carried at amortised cost	3,276,353	2,115,688	92,192	640,160	2,848,040
Financial assets classified at fair value through OCI	12,966,377	12,109,673	582,435	274,269	12,966,377
Financial assets carried at fair value through profit or loss	2,087,018	725,146	1,326,910	34,962	2,087,018
Derivative financial instruments	211,577		211,577		211,577
	19,875,039	**14,950,507**	**3,533,291**	**949,391**	**19,433,189**
Financial liabilities					
Borrowings	47,954,209	9,498,213	34,030,268	-	43,528,481
Lease liabilities	3,145,210	-	3,145,210	-	3,145,210
	51,099,419	**9,498,213**	**37,175,478**	**-**	**46,673,691**

Level 1 classification comprises financial instruments where fair value is determined by unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 classification comprises items where fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 classification comprises unobservable inputs.

Some of e&'s financial assets and liabilities are measured at fair value or for which fair values are disclosed. Information on how these fair values are determined are provided below:

- Borrowings are measured and recorded in the consolidated statement of financial position at amortised cost and their fair values are disclosed in Note 27.
- Derivative financial instrument fair values are present values determined from future cash flows discounted at rates derived from market sourced data.
- Fair value of listed securities and Sukuks are derived from observable quoted market prices for similar items. These represent Level 1 fair values. Unquoted equity securities represent Level 3 fair values. Details are included in Note 18 "Other investments".

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

The fair value of other investments amounting to AED 1,623 million (2022: AED 949 million) are classified as Level 3 because the investments are not listed and there are no recent arm's length transactions in the shares. The valuation technique applied is internally prepared valuation models using future cash flows discounted at average market rates. Any significant change in these inputs would change the fair value of these investments.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on cash flows discounted at rates derived from market sourced data.

Reconciliation of Level 3

	2023 AED'000	2022 AED'000
As at 1 January	949,391	509,847
Additions	650,329	421,287
Foreign exchange difference	15,550	(23,432)
Disposal	(22,606)	(121,600)
Revaluation	8,296	163,289
Acquisition of subsidiaries (Note 41)	22,034	-
As at 31 December	**1,622,994**	**949,391**

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36. Commitments

a) Capital commitments

e& has approved future capital projects and investments commitments to the extent of AED 3,631 million (2022: AED 3,703 million). e& has issued letters of credit amounting to AED 454 million (2022: AED 440 million).

37. Contingent liabilities

a) Bank guarantees

	2023 AED million	2022 AED million
Performance bonds and guarantees in relation to contracts	3,440	3,343
Companies Overseas investments	3,202	3,073

b) Other contingent liabilities

(i) e& and its associates are disputing certain charges from the governmental and telecom regulatory agencies and telecom operators in certain International jurisdictions but do not expect any material adverse effect on e&'s financial position and results from resolution of these disputes.

(ii) In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on 12 June 2015 the Apex Court decided the case in the interest of pensioners.

On 13 July 2015, Review Petitions were filed in Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the "Review Petitioners") against the Supreme Court Judgment.

The Supreme Court disposed the Review Petitions and directed the Review Petitioners to seek remedy under section 12(2) of the Civil Procedure Code (the "CPC"), and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts.

The decision of the Appeals bench of the Supreme Court on 10 May 2018 clarified that voluntary separation scheme ("VSS") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. Notwithstanding this development, many retirees, including VSS pensioners, have continued to submit petitions before the Supreme Court. The Chief Justice of Pakistan has decided to bring the matter back for a rehearing by the Supreme Court.

Separately, the Islamabad High Court (IHC) issued a decision on 3 March 2020, in which it upheld the rights of certain retirees ("T&T retirees") to benefit from periodic government increases in pensions and additional benefits, although it also held that the same did not apply to the VSS pensioners.

In response, PTCL and PTET raised an Intra Court Appeal against the exemption granted to the T&T retirees before the Divisional Bench at the Islamabad High Court. On 24 September 2020, the Intra Court appeals were adjourned for consolidation of all Intra court Intra Court appeals before one bench. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET and postponed the case until 14 July 2021.

Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Supreme court within the limitation. Next hearing is now expected in March 2024.

The management of PTCL, on the advice of their lawyers, believes that PTCL's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunications (Re-Organization) Act, 1996 and the Pension Trust rules of 2012 and accordingly, no provision has been recognized in the consolidated financial statements in respect of these proceedings.

(iii) On 16 December 2021, Maroc Telecom received a notice from the Commercial Court of Rabat regarding a complaint filed by Wana on unbundling and claiming MAD 7.5 billion. Experts report was submitted to the Court on 13 November 2023 and both parties have submitted their comments / challenges of the report to the court. A court decision was issued in favour of Wana on 29 January 2024, ordering Maroc Telecom to pay MAD 6.368 billion. Maroc Telecom was notified with the decision on 2 February 2024 and has raised an appeal against the decision of the Commercial Court on 16 February 2024.

38. Dividends

Amounts recognised as distribution to equity holders:

	AED'000
31 December 2022	
First interim dividend for the year ending 31 December 2022 of AED 0.40 per share	3,477,198
Final dividend for the year ended 31 December 2021 of AED 0.40 per share	3,477,198
	6,954,396
31 December 2023	
First interim dividend for the year ending 31 December 2023 of AED 0.40 per share	3,477,198
Final dividend for the year ended 31 December 2022 of AED 0.40 per share	3,477,198
	6,954,396

An interim dividend of AED 0.4 per share was declared by the Board of Directors on 1 August 2023 for the year ended 31 December 2023.

On 20 February 2024, the Board of Directors proposed a final dividend of AED 0.40 per share for the year ended 31 December 2023, bringing total dividends per share to AED 0.80 for the year.

39. Earnings per share

	2023	2022
Earnings (AED'000)		
Earnings for the purposes of basic earnings per share being the profit attributable to the equity holders of the Company	10,304,547	10,007,361
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	8,696,754	8,696,754
Earnings per share		
Basic and diluted	AED 1.18	AED 1.15

40. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when, and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The criteria of legal enforceable right of set-off should be applicable in the normal course of business, in the event of default and in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The following table presents the recognised financial assets and liabilities that are offset, as at 31 December 2023 and 31 December 2022.

2023	Gross amounts AED '000	Gross amounts set off AED '000	Net amount presented AED '000
Financial assets			
Amounts due from other telecommunication operators/carriers	11,379,956	(8,745,798)	2,634,158
Financial liabilities			
Amounts due to other telecommunication administrators	11,554,251	(8,745,798)	2,808,453

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40. Offsetting financial assets and financial liabilities (continued)

2022	Gross amounts AED '000	Gross amounts set off AED '000	Net amount presented AED '000
Financial assets			
Amounts due from other telecommunication operators/carriers	9,272,321	(6,155,775)	3,116,546
Financial liabilities			
Amounts due to other telecommunication administrators	9,642,971	(6,155,775)	3,487,196

41. Acquisition of subsidiaries

41.1. Acquisition of subsidiaries in 2023

a) On 6 February 2023, e& completed the acquisition of Service Souk DMCC ("Service Market"), acquiring 100% shareholding of the online marketplace. The purchase consideration for acquisition of Service Market is estimated to be AED 81 million, including payment linked to business performance portion due over a period of time.

b) On 25 May 2023, e& enterprise cloud, a wholly owned subsidiary of e&, completed the acquisition of 65% stake in Bespin Global Technologies Limited ("BGT"), offering public cloud managed and professional services. The remaining shareholding of BGT (i.e. 35%) is owned by Bespin Global Singapore PTE. Both shareholders contributed their existing businesses to BGT and contributed an initial cash injection of USD 10 million (AED 36.7 million) as capital on a pro-rata basis.

c) On 31 July 2023, e& completed the acquisition of 63.3% stake in Beehive Group Holdings Limited (BGHL), the first regulated online marketplace for peer-to-peer lending to SMEs in the MENA region, for an amount of USD 23.6 million (AED 86.7 million).

d) On 8 December 2023, e& successfully acquired 50.03% of Careem Technologies Holding Limited (CTHL) on a fully diluted basis in exchange for an investment of USD 400 million (AED 1,469 million). CTHL is the new entity created by carving out the non-rideshare businesses from existing Careem entities for Careem's super-app business.

41.1(a). Identifiable assets acquired and liabilities assumed

The following table summarizes the provisional fair values of the assets acquired and liabilities assumed as of the acquisition date:

			Provisional Fair Values		
	Service Market AED'000	BGT AED'000	BGHL AED'000	Careem Technologies AED'000	Total AED'000
Intangible assets	94	-	-	230,825	230,919
Property, plant and equipment	50	6,706	236	40,666	47,658
Right-of-use assets	-	9,549	256	34,580	44,385
Other investments	-	-	-	22,034	22,034
Trade and other receivables	458	15,724	5,481	138,621	160,284
Inventories	-	-	-	14,071	14,071
Bank and cash balances	413	45,056	20,141	1,430,942	1,496,552
Trade and other payables	(2,171)	(25,780)	(3,252)	(184,664)	(215,867)
Provision for employees' end of service benefits	(1,018)	(808)	(690)	(34,895)	(37,411)
Lease liabilities	-	(10,603)	(263)	(36,890)	(47,756)
Net identifiable assets acquired	**(2,174)**	**39,844**	**21,909**	**1,655,290**	**1,714,869**
Non-controlling interest	-	(33,412)	-	(827,148)	(860,560)
Goodwill recognised on the basis of fair valuation	58,002	55,613	80,950	326,838	521,403
Brand and Trademark related intangible asset recognised on the basis of fair valuation	32,318	-	43,428	314,021	389,767
Fair value of investment	**88,146**	**62,045**	**146,287**	**1,469,001**	**1,765,479**

41.2. Acquisition of subsidiaries in 2022

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

elGrocer DMCC has been fully consolidated in this consolidated financial statements effective from the acquisition date of 28 January 2022.

b) On 20 May 2022, e& completed the acquisition of the remaining 50% shareholding in Smart Technology Services DWC LLC "Smart World" for an amount of AED 30 million.

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

41.2(a). Identifiable assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date:

	Starzplay AED'000	Smart World AED'000	elGrocer DMCC AED'000	Total AED'000
Intangible assets	205,092	278	892	206,262
Property, plant and equipment	1,147	1,074	193	2,414
Right-of-use assets	-	2,599	-	2,599
Trade and other receivables	255,621	108,035	1,719	365,375
Inventories	-	4,983	-	4,983
Bank and cash balances	201,921	6,195	2,076	210,192
Trade and other payables	(420,221)	(37,118)	(1,499)	(458,838)
Provision for employees' end of service benefits	(5,808)	(6,323)	-	(12,131)
Borrowings	(91,239)	(10,900)	-	(102,139)
Lease liabilities	-	(2,323)	-	(2,323)
Net identifiable assets acquired	**146,513**	**66,500**	**3,381**	**216,394**
Non-controlling interest	(482,356)	-	-	(482,356)
Goodwill recognised on the basis of fair valuation	647,373	-	32,334	679,707
Brand and trademark related intangible asset recognised on the basis of fair valuation	49,579	-	1,370	50,949
Customers related intangible asset recognised on the basis of fair valuation	231,543	-	-	231,543
Fair value of investment	**592,652**	**66,500**	**37,085**	**696,237**

In 2023, the purchase price allocation process of Starzplay was completed which resulted to increase non-controlling interest by AED 264 million, goodwill by AED 187 million and brand & trademark and customer related intangible assest by AED 77 million.

42. Significant events

(i) During the year, PTCL Group has signed a Share Purchase Agreement with Telenor Pakistan B.V. (Telenor) to acquire a 100% stake in Telenor Pakistan (Pvt) Ltd (Telenor Pakistan) based on an Enterprise Value of PKR 108 Billion (AED 1.4 billion) on a cash free, debt free basis. The transaction will be financed by external debt which will be raised by PTCL Group. This transaction is subject to necessary corporate / regulatory approvals, completion of formalities / signing of necessary agreement(s) / instruments and customary closing conditions.

ii) On 1 August 2023, e& signed a binding agreement with PPF Group to acquire a controlling stake (50% + 1 share) in PPF Telecom assets in Bulgaria, Hungary, Serbia and Slovakia. The upfront consideration for the acquisition is EUR 2,150 million (AED 8,726 million) with up to EUR 350 million (AED 1,420 million) in earn-out payments if PPF Telecom exceeds certain financial targets within the three year period after closing and is subject to a claw back of up to EUR 75 million (AED 304 million) if such financial targets are not achieved.

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43. Audit and non-audit fee information

Below is the breakup of audit and non-audit fees paid / payable to our external auditors (being KPMG network firms) for their engagements within e&. This does not include the audit fees payable to our controlled entities which are not audited by KPMG network firms.

Category of services	Nature of Services	2023 AED'000	2022 AED'000
Financial statement audits	Pertain to audit of consolidated financial statements of Etisalat Group and standalone audits of subsidiaries audited by KPMG network firms	6,861	5,712
Non-audit fees	• Regulatory audit • Update of the Global Medium Term Note (GMTN)	1,922	1,558
		8,783	**7,270**

44. Subsequent event

Further to the announcement on 11 May 2023, regarding the signing of a Relationship Agreement between e& and Vodafone Group plc, whereby e& GCEO will join Vodafone Board as a non-executive director as well as be part of its Nominations & Governance committee, all required approvals have now been received. Effective from 19 February 2024, e& GCEO will join Vodafone Board as a non-executive director. Accordingly, given that e& can demonstrate significant influence over Vodafone Group plc, the preliminary assessment is that the investment will be recognized as investment in associate effective from 19 February 2024.

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