



etisalat and

**Emirates Telecommunications Group
Company PJSC**

Earnings Release – Fourth Quarter 2023

20 February 2024

e& achieves strong operational performance, resulting in highest-ever revenue and net profit, supported by growing customer base and robust cashflow generation.

The board recommends a new progressive dividend policy for fiscal years 2024 to 2026.

Key Highlights

Q4 2023		FY 2023	
169 million	AED 13.7 billion	169 million	AED 53.8 billion
Aggregate Subscriber Base ↑ 4% y-o-y	Revenue ↑ 5% y-o-y ↑ 7% y-o-y in Constant Currency	Aggregate Subscriber Base ↑ 4% y-o-y	Revenue ↑ 3% y-o-y ↑ 8% y-o-y in Constant Currency
AED 6.5 billion	AED 2.6 billion	AED 26.1 billion	AED 10.3 billion
EBITDA 47% Margin ↑ 7% y-o-y in Constant Currency	Net Profit After Federal Royalty ↓ 2% y-o-y	EBITDA 49% Margin ↑ 4% y-o-y in Constant Currency	Net Profit After Federal Royalty ↑ 3% y-o-y
AED 2.5 billion	AED 4.0 billion	AED 7.3 billion	AED 18.8 billion
Capital Expenditure ↓ 17% y-o-y	Operating Free Cash flow ↑ 30% y-o-y	Capital Expenditure ↓ 9% y-o-y	Operating Free Cash flow ↑ 4% y-o-y

Abu Dhabi, United Arab Emirates – 20th February 2024: In the fourth quarter of 2023, e& delivered strong performance attributed to its resilient domestic performance and growth in international operations. This performance enabled the Group to meet its upgraded guidance for the FY2023 .

Fourth Quarter Highlight:

- ▶ **Aggregate subscriber base** reached **169** million, representing a year over year increase of **4%** in Q4 2023
- ▶ **EBITDA** increased year over year by **7%** in both reported and constant currency, translating to an EBITDA Margin of **47%**
- ▶ **CAPEX** reported a decrease of **17%** with an intensity ratio of **18%**
- ▶ **Consolidated cash balance** amounted to AED **29.0** billion, leading to a net debt position of AED **20.1** billion
- ▶ **Revenue** increased year over year by **5%** with a constant currency growth of **7%** fuelled by growth across domestic and international operations
- ▶ **Net profit after federal royalty** reached AED 2.6 billion, decreasing year over year by **2%** with a net profit margin of **19%**
- ▶ **Operating free cashflow** reached AED **4.0** billion, increasing year over year by 30% with a margin of **29%**

Key Developments for Q4 2023

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& announces commitment to net-zero carbon emissions by 2040

The Group has committed to achieving zero carbon emissions across its own operations (Scope 1 and 2) in all markets by 2040, embarking on a decisive journey towards environmental sustainability, building on the company’s previous commitment to be net zero across its own operations in the UAE by 2030.

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.

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.

Introduced AI-powered self-service telecom store

etisalat by e&’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.

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 were effective from January 2024. This is in addition to the Corporate Tax Law.

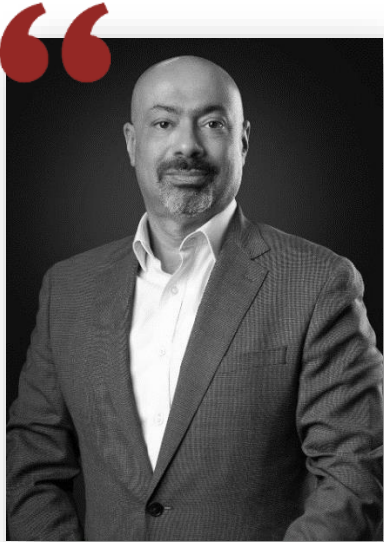


**Statement from H.E. Jassem Mohamed Alzaabi,
Chairman of e&**

In 2023, e& grew from strength to strength. We led technology-driven innovations, navigated challenging global market conditions, and emerged stronger, further solidifying our position as a leading global technology player. Our robust financial performance with a record net profit of AED 10.3 billion, and strong top-line growth of 3 per cent is a testament to our resilience and setting e& on the right path for future growth.

We continue to be inspired by the UAE 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 169 million subscribers across our operations.

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**Statement from Hatem Dowidar,
Group Chief Executive Officer of e&**

The outstanding financial performance achieved by e& in 2023, with consolidated EBITDA of AED 26.1 billion, and an EBITDA margin of 49 per cent, is a strong testament to the success of our business transformation strategy.

e& continued to thrive as a leader in MEA, remaining one of the world's most valuable and strongest brands and becoming the fastest-growing technology brand. This highlighted our evolution into a global technology group supported by the strong performance of our brand portfolio. We will continue to push our boundaries to be at the forefront of the digital era by developing next-generation digital connectivity and cutting-edge solutions.

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 sustainable future growth.



Subscribers

(Number in Thousands)	Q4 2023	Q4 2022	y-o-y
e& UAE	14,239	13,801	3.2%
e& international	155,230	148,873	4.3%
Total Aggregate Subscribers	169,469	162,674	4.2%
e& UAE % of Total	8.4%	8.5%	-0.1 pp
e& international % of Total	91.6%	91.5%	0.1 pp

Aggregate subscribers as of 31 December 2023 reached a record-breaking 169 million, representing net additions of 6.8 million during the last 12-month period, driven by robust subscriber acquisition in Egypt, Pakistan, UAE, Morocco and Moov Africa. Quarter over quarter subscriber base increased by 2.0 million subscribers.

In the **UAE**, capitalising on the country's expanding economy, e& UAE launched unique and diversified offerings while continued enhancing its customer experience through continued digitization and data-driven analytics. This strategy resulted in a solid 3.2% year-over-year increase in the active subscriber base, reaching 14.2 million in the fourth quarter of 2023. The mobile subscriber base increased by 3.7% year on year to reach 12.6 million subscribers attributed to solid year on year growth in both the prepaid and postpaid segments, up year over year 2.3% and 8.5% respectively, driven by launch of attractive and unique offerings and the prepaid promotional activities. eLife subscriptions continues its growth trajectory as a result of its rich content, growing 5.0% year on year to report 1.2 million subscribers. Total broadband segment remained steady year on year at 1.4 million subscribers.

For **Maroc Telecom**, the subscriber base reached 75.9 million subscribers as of 31 December 2023, representing a year over year increase of 0.7%. This was primarily attributable to the improved subscriber base in Morocco as growth in Chad, Burkina Faso, Central Africa, Togo, Niger, Gabon, and Benin.

e& **Egypt** continues to witness robust expansion as a result of the innovative offerings and improved market positioning. This allowed the subscriber base to expand by 12.7% year over year to 33.9 million subscribers.

In **Pakistan**, despite the challenging economic and business environment, the subscriber base showcased resilience growing 5.9% year over year to 27.5 million, attributed to strong mobile subscriber acquisition.

Revenue

(AED Million)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
e& UAE	8,004	7,588	5.5%	31,464	29,667	6.1%
e& international	4,956	4,792	3.4%	19,422	20,426	-4.9%
<i>Maroc Telecom Group</i>	3,147	2,886	9.0%	12,675	12,289	3.1%
<i>e& Egypt</i>	994	1,098	-9.5%	3,663	4,900	-25.2%
<i>PTCL Group</i>	662	671	-1.3%	2,496	2,727	-8.4%
<i>Etisalat Afghanistan</i>	154	138	11.9%	588	510	15.2%
Other	778	755	3.0%	2,865	2341	22.4%
Consolidated Revenue	13,738	13,135	4.6%	53,752	52,434	2.5%
<i>e& UAE % of Total</i>	58.3%	57.8%	+0.5pp	58.5%	56.6%	+2.0 pp
<i>e& international % of Total</i>	36.1%	36.5%	-0.4 pp	36.1%	39.0%	-2.8 pp

Consolidated reported revenue for the fourth quarter of 2023 amounted to AED 13.7 billion, representing a 4.6% increase in comparison to the same period last year. In the fourth quarter, exchange rates were lower in the Egyptian Pound and Pakistani Rupee as compared to the fourth quarter of the previous year. At constant exchange rates, revenue was robust and increased year over year by 6.6% reflecting growth in domestic and international markets. Full-year consolidated revenue increased by 2.5% to AED 53.8 billion and by 8.3% at constant exchange rates, achieving the highest revenue in the Group's history.

In the **UAE**, revenue grew in the fourth quarter by 5.5% year on year to AED 8.0 billion. This increase is attributed to continued strong business activity in the country supported by positive macro-economic environment in addition to the company's continuous focus on improving customer offerings and diversifying into new digital products. Mobile segment continued its year over year revenue growth at 4.2% to AED 3.0 billion due to the increase in subscribers as a result of successful offers, increased uptake of bundled offers and growth in outbound roaming. Fixed segment revenue slightly increased by 0.1% year over year reaching AED 2.9 billion, supported by new propositions such as Business Pro and Home Wireless services resulting in higher internet and data services offsetting legacy voice and the impact of termination of beIN contract on TV revenue. Other segment revenue increased year over year by a solid 16.1% to AED 2.1 billion due to increase in wholesale, visitor roaming and handset revenues. Quarter over quarter revenue increased by 2.1%. Full-year revenue increased by 6.1% attributed to growth in data, digital services, launch of 5G Home wireless, increased sales of Smart Living devices, growth of Smiles usage and influx visitors roaming.

Reported revenues of **e& international** for the fourth quarter of 2023 increased year over year by 3.4% and quarter on quarter by 0.1% to AED 5.0 billion. The increase was predominantly due to a strong performance by MT Group, coupled with the appreciating Moroccan Dirham, offsetting the unfavourable exchange rate movements in the Egyptian Pound and Pakistani Rupee against AED. At constant exchange rates, revenue of e& international remained resilient increasing year over year by 8.9%. For the full year, revenue generated from e& international decreased year on year by 4.9% to AED 19.4 billion attributed to the exchange rate devaluations. At constant rates however, revenue increased by 9.9% attributed to growth in Maroc Telecom, Egypt and Pakistan. Revenues from international operations represented 36.1% of the Group's consolidated revenue.

Maroc Telecom consolidated revenue for the fourth quarter of 2023 amounted to AED 3.1 billion, representing a year over year increase of 9.0% in reported currency attributed to better performance and favourable foreign exchange movement. In local currency, revenue increased year over year by 2.1% due to growth in Morocco and Moov Africa. In Morocco, revenue increased year over year by 1.2% in local currency. The mobile segment revenue decreased by 3.5% year over year driven by service revenue being under pressure as a result of persistently unfavorable regulatory and competitive environment. This decline was offset by strong growth in fixed segment that increased by 6.7% year on year supported by 12.1% growth in fixed broadband. Revenue from international operations "Moov Africa" increased by 3.9% year over year in Moroccan Dirham mainly due to strong growth of mobile data, mobile money and fixed-line internet.

Full year revenue increased by 3.1% in AED to 12.7 billion. In Morocco, revenue was stable in local currency. Mobile revenue declined 1.3% y-o-y while fixed segment increased by 1.3%. Revenue from international operations “Moov Africa” increased by 6.6% year over year in MAD, resulting in 51% contribution to Maroc Telecom Group’s consolidated revenue.

In **Egypt**, reported revenue for the fourth quarter of 2023 was AED 1.0 billion, resulting in a decline of 9.5% year over year. In local currency however, revenue increased by a robust 18.5% despite heightened inflationary pressures and the end of the national roaming agreement with Telecom Egypt in December 2022. The growth in the fourth quarter is attributed to the highest expansion of customer base in the company contributing to growth in mobile data and voice revenue. Full year 2023 reported revenue declined year over year by 25.2% to AED 3.7 billion. However, in constant currency, revenue remained robust and increased by 19%.

In **Pakistan**, reported revenue for the fourth quarter was AED 0.7 billion, representing a year over year decrease of 1.3%, primarily due to unfavourable exchange rate movements of the Pakistani Rupee against AED. In local currency, revenue increased by a strong 24.1% despite the challenging macro-economic environment. This impressive growth is attributed to the outstanding performance of fixed broadband, mobile data, business solutions as well as Ubank services. Full year revenue decreased by 8.4% to AED 2.5 billion however increased by 25.7% in local currency

Direct Cost

(AED Million)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
Direct Cost of Sales	3,704	3,581	3.4%	14,714	13,243	11.1%
Direct Cost of Sales	3,704	3,581	3.4%	14,714	13,243	11.1%

Consolidated direct cost for the fourth quarter of 2023 was 3.7 billion, an increase of 3.4% year over year. This increase is mainly attributed to higher handset cost to support growth in sale of smart living devices. As a percentage of revenue, it remained unchanged to reach 27%. For the full year, direct costs reach AED 14.7 billion increasing 11.1% year over year. This increase is driven by changes in revenue mix and is supporting revenue growth.

Operating Expenses

(AED Million)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
Staff Costs	1,112	1,205	-7.8%	4,354	4,475	-2.7%
Depreciation & Amortisation	2,323	1,846	25.8%	7,569	7,516	0.7%
Network & Related Costs	745	695	7.1%	2,851	2,778	2.6%
Marketing Expenses	341	345	-1.3%	979	976	0.3%
Other OpEx ¹	960	1,232	-22.1%	3,905	4,335	-9.9%
Total OpEx	5,481	5,325	2.9%	19,658	20,080	-2.1%

Consolidated operating expenses for the fourth quarter of 2023 was AED 5.5 billion, an increase of 2.9% compared to the same quarter of the previous year impacted by inflationary pressure that led to higher network and utility costs. For the full year, total operating expenses declined by 2.1% year over year to report AED 19.7 billion, reflecting the Group’s focus on cost discipline to offset the global inflationary pressures, especially with double digit inflation growth in both Egypt and Pakistan in addition to investment in new revenue streams.

Key components of operating expenses are:

- **Staff expenses** decreased year over year by 7.8% to AED 1.1 billion for the fourth quarter of 2023. As a percentage of revenue, staff costs decreased by 1 percentage point year over year at 8%. For the full year, staff costs declined by 2.7% year over year to reach AED 4.4 billion.
- **Depreciation and amortisation** increased year over year by 25.8% to AED 2.3 billion in the fourth quarter of 2023. As a percentage of revenue, depreciation and amortisation expenses increased by 3 percentage point year over year to 17%. For the full year however, depreciation & amortisation increased by 0.7% year over year to reach AED 7.6 billion.
- **Network costs** increased by 7.1% year over year to AED 0.7 billion in the fourth quarter of 2023 as a result of higher energy prices. As a percentage of revenue, network costs remained relatively unchanged at 5%. In FY 2023 network costs reached AED 2.9 billion, up 2.6% year over year.
- **Marketing expenses** declined year over year by 1.3% to AED 0.3 billion in the fourth quarter of 2023. As a percentage of revenue, marketing expenses also declined compared to the comparable period at 2%. For the full year, marketing expenses reached AED 1.0 billion, reflecting slight increase of 0.3% year over year.
- **Other operating expenses** decreased by 22.1% year over year to AED 1.0 billion in the fourth quarter, mostly attributed to incurring forex gain in comparison to forex losses and lower general and administrative costs. As a percentage of revenue, other operating expenses decreased 2 percentage points to reach 7%. For the full year, other costs declined by 9.9% year over year to reach AED 3.9 billion.

EBITDA

(AED Million)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
e& UAE	4,084	3,884	5.1%	16,447	15,755	4.4%
e& international	2,195	2,094	4.9%	9,195	9,747	-5.7%
Maroc Telecom Group	1,753	1,493	17.4%	7,014	6,681	5.0%
e& Egypt	290	375	-22.5%	1,429	2,176	-34.3%
PTCL Group	111	184	-39.6%	585	752	-22.1%
Etisalat Afghanistan	41	42	-2.0%	166	138	20.4%
Other	190	64	197.0%	475	700	-32.2%
Consolidated EBITDA	6,469	6,042	7.1%	26,117	26,202	-0.3%
e& UAE % of Total	63.1%	64.3%	-1.2 pp	63.0%	60.1%	2.8 pp
e& international % of Total	33.9%	34.7%	-0.7 pp	35.2%	37.2%	-2.0 pp
EBITDA Margin (%)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
e& UAE	51%	51%	-0.2 pp	52%	53%	-0.8 pp
e& international	44%	44%	0.6 pp	47%	48%	-0.4 pp
Maroc Telecom Group	56%	52%	4.0 pp	55%	54%	1.0 pp
e& Egypt	29%	34%	-4.9 pp	39%	44%	-5.4 pp
PTCL Group	17%	27%	-10.6 pp	23%	28%	-4.1 pp
Etisalat Afghanistan	27%	31%	-3.8 pp	28%	27%	1.2 pp
EBITDA Margin	47%	46%	1.1 pp	49%	50%	-1.4 pp

1) Other operating expenses include regulatory expenses, consultancy costs, operating lease rentals, IT Costs, and others

Group reported consolidated EBITDA for the fourth quarter of 2023 increased 7.1% year on year to AED 6.5 billion, resulting in an EBITDA margin of 47%. Growth was attributable to strong revenue growth coupled with a profound cost discipline, all amid inflationary pressures and a challenging macro environment that continues to impact our international operations and resulting in currency devaluation. At constant exchange rates, Group consolidated EBITDA increased by 7.2% year over year.

For the full year, EBITDA amounted to AED 26.1 billion, remaining relatively unchanged year over year, while in constant currency, EBITDA increased by 3.7%, resulting in an EBITDA margin of 49%, down 1 percentage point versus FY 2022 attributed to inflation and changes in the revenue mix.

In the **UAE**, EBITDA in the fourth quarter of 2023 was AED 4.1 billion, representing a 5.1% increase year over year and leading to an EBITDA margin of 51%, consistent with the fourth quarter of the previous year. The increase in EBITDA is primarily attributed to strong focus on profitable revenue growth and continued cost efficiency. Full year EBITDA in 2023 increased by 4.4% to AED 16.5 billion resulting in an EBITDA margin of 52%, 0.8 percentage point lower than the prior year due to changes in the revenue mix. The year over year increase in EBITDA in the full year is attributed to higher revenue and continued cost efficiency measures.

Reported EBITDA of **e& international** increased by 5% year over year to AED 2.2 billion in the fourth quarter, resulting in a 33.9% contribution to the Group's consolidated EBITDA. In constant currency, EBITDA increased by 5.3% year on year despite inflationary pressures and challenging macro environment impacting our operations. For the full year, EBITDA declined by 5.7% to AED 9.2 billion resulting in EBITDA margin of 47%, stable versus the prior year. This drop in EBITDA is attributed mainly to foreign currency devaluation against AED. At constant exchange rates, EBITDA of e& international increased year over year by a solid 5.3%.

Maroc Telecom Group reported EBITDA for the fourth quarter of 2023 increased by 17.4% to AED 1.8 billion and resulted in an EBITDA margin of 56%, up 4 percentage points versus the same period in the prior year. In Moroccan Dirhams, EBITDA in absolute terms increased by 9.5% year over year due to an increase in Moroccan operations and Moov Africa by 9.8% and 9.2% respectively. EBITDA growth was driven by revenue growth, improvement in the gross margin and contained operating costs despite inflationary pressures. Full year EBITDA grew 5.0% to AED 7.0 billion, resulting in an EBITDA margin of 55%, up 1 pp compared to the prior year. In Moroccan Dirham, EBITDA increased year over year by 4.7%. This is attributed to year over year growth in EBITDA in Morocco by 2.7% and Moov Africa by 7.8%.

In **Egypt**, reported EBITDA in the fourth quarter decreased year on year by 22.5% to AED 0.3 billion representing EBITDA margin of 22% which decreased 5 percentage points year on year. In local currency however EBITDA increased by 2.6% year over year. For the full year, EBITDA declined by 34.3% to AED 1.4 billion resulting in EBITDA margin of 39%. However, in local currency EBITDA increased 5.5% attributed to higher revenue.

In **Pakistan**, reported EBITDA in the fourth quarter of 2023 decreased year on year by 39.5% to AED 0.1 billion with EBITDA margin decreasing year over year by 11 percentage points to 17%. In local currency, EBITDA also decline 24.3% year over year. For the full year 2023, EBITDA declined 22.1% to AED 0.6 billion with EBITDA margin lower by 4 percentage points at 23%. This decline is attributed to unfavorable macroeconomic challenges such as increasing energy, fuel and staff costs. In local currency, EBITDA increased 7.5% in comparison to the previous year due to higher revenue.

Net Profit After Federal Royalty

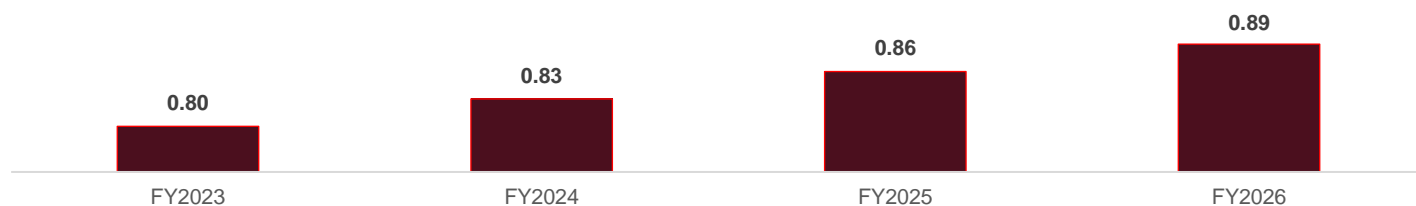
(AED Million)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
Consolidated Net Profit	2,616	2,659	-1.6%	10,305	10,007	3.0%
Earnings Per Share	0.30	0.31	-1.6%	1.18	1.15	3.0%
<i>Net Profit Margin</i>	<i>19%</i>	<i>20%</i>	<i>-1.2 pp</i>	<i>19%</i>	<i>19%</i>	<i>0.1 pp</i>

Consolidated net profit after federal royalty attributed to the owners of the company declined slightly year over year by 1.6% to reach a record AED 2.6 billion in the fourth quarter of 2023 and net profit margin decreased by 1.2 percentage points to 19%. This decline is attributed to higher depreciation and amortization expenses and higher federal royalty charges.

Full year net profit increased by 3% to AED 10.3 billion, the highest net profit ever achieved the by the Group and resulting in profit margin of 19% which is stable year over year. The increase was mainly due to higher dividends received from Vodafone Group, higher income from associates and lower tax expenses.

Earnings per share (EPS) amounted to AED 0.30 in the fourth quarter and AED 1.18 in FY 2023.

Dividend: On 20th of February 2024, the Board of Directors proposed a final dividend for the second half of 2023 at the rate of 40 fils per share, bringing the full year dividend to 80 fils per share. In addition, the board recommended a new progressive dividend policy with an incremental of 3 fils every year for the fiscal years 2024, 2025, and 2026 (indicated in the below graph). This proposal is subject to shareholders' approval at the Annual General Meeting.



CAPEX

(AED Million)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
e& UAE	1,054	1,371	-23.2%	2,651	2,685	-1.2%
e& international	1,308	1,436	-8.9%	4,461	5,150	-13.4%
<i>Maroc Telecom Group</i>	<i>766</i>	<i>711</i>	<i>7.7%</i>	<i>2,850</i>	<i>2,728</i>	<i>4.5%</i>
<i>e& Egypt</i>	<i>226</i>	<i>272</i>	<i>-17.0%</i>	<i>691</i>	<i>1,374</i>	<i>-49.7%</i>
<i>PTCL Group</i>	<i>254</i>	<i>413</i>	<i>-38.4%</i>	<i>787</i>	<i>961</i>	<i>-18.1%</i>
<i>Etisalat Afghanistan</i>	<i>62</i>	<i>40</i>	<i>54.0%</i>	<i>132</i>	<i>87</i>	<i>51.3%</i>
Other	92	143	-36.0%	174	202	-13.8%
Group CAPEX	2,453	2,950	-16.8%	7,287	8,037	-9.3%
<i>e& UAE % of Total</i>	<i>42.9%</i>	<i>46.5%</i>	<i>-3.5 pp</i>	<i>36.4%</i>	<i>33.4%</i>	<i>3.0 pp</i>
<i>e& international % of Total</i>	<i>53.3%</i>	<i>48.7%</i>	<i>4.6 pp</i>	<i>61.2%</i>	<i>64.1%</i>	<i>-2.9 pp</i>

Intensity Ratio (%)	Q4 2023	Q4 2022	y-o-y	FY 2023	FY 2022	y-o-y
e& UAE	13%	18%	-4.9 pp	8%	9%	-0.6 pp
e& international	26%	30%	-3.6 pp	23%	25%	-2.2 pp
<i>Maroc Telecom Group</i>	<i>24%</i>	<i>25%</i>	<i>-0.3 pp</i>	<i>22%</i>	<i>22%</i>	<i>0.3 pp</i>
<i>e& Egypt</i>	<i>23%</i>	<i>25%</i>	<i>-2.1 pp</i>	<i>19%</i>	<i>28%</i>	<i>-9.2 pp</i>
<i>PTCL Group</i>	<i>38%</i>	<i>62%</i>	<i>-23.1 pp</i>	<i>32%</i>	<i>35%</i>	<i>-3.7 pp</i>
<i>Etisalat Afghanistan</i>	<i>40%</i>	<i>29%</i>	<i>11.0 pp</i>	<i>22%</i>	<i>17%</i>	<i>5.3 pp</i>
Group Intensity Ratio	18%	22%	-4.6 pp	14%	15%	-1.8 pp

Consolidated capital expenditure decreased 16.8% year over year to AED 2.5 billion in the fourth quarter of 2023 resulting in a capital intensity ratio of 18%, 4.6 percentage points lower versus the same period of the prior year. Capital investment continued to focus on providing the best experience to our customers by modernising our networks and deploying the latest technologies. For the full year 2023, CAPEX reached AED 7.3 billion decreasing 9.3% year over year.

In the **UAE**, capital expenditure during the quarter amounted to AED 1.1 billion, a 23.2% decrease in comparison to the same period last year. Capital intensity ratio was 13%, 4.9 percentage points lower when compared to the same quarter of the prior year. In FY 2023, CAPEX reached AED 2.7 billion, down 1.2% year over year with an intensity ratio of 8%. Capital spending in the UAE focused on 5G deployment and allowed the company to continue to deliver global leading fixed and mobile networks to its customers.

Capital expenditures in **e& international** in the fourth quarter of 2023 decreased by 8.9% compared to the same period last year to AED 1.3 billion. International operations represented 53% of the Group's total consolidated capital expenditure. For the full year of 2023, capital spending reached AED 4.5 billion, down 13.4% year over year and reporting an intensity ratio of 23% which is 2.2 percentage points down versus last year.

Maroc Telecom capital expenditure for the fourth quarter increased in AED by 7.7% year over year to AED 0.8 billion, resulting in a capital intensity ratio of 24%. Capital spending increased year over year in local currency in Morocco by 14.3% and decreased in Moov Africa's operations by 5.7%.

For the full year of 2023, capital spending grew 4.5% year over year to reach AED 2.8 billion with an intensity ratio of 22%. In Local currency Morocco increased by 3.7% and increased in Moov Africa's operations by 3.4%. Capital spending focused on expanding fibre-to-the-home (FTTH) and 4G mobile networks coverage and increasing network capacity to cater for the higher data customer demand.

In **Egypt**, capital expenditure for the fourth quarter decreased by 17.0% year over year to AED 0.2 billion resulting in a capital intensity ratio of 23%, which was 2.1 percentage points lower than the same period of the prior year. For the full year of 2023, capital spending reached AED 0.7 billion, down 49.7% year over year and reporting an intensity ratio of 19%. Capital spending focused on 4G deployment and upgrading of network capacity.

In **Pakistan**, capital expenditure for the fourth quarter increased by 38.4% year over year to AED 0.3 billion resulting in a capital intensity ratio of 38%, 23.1 percentage points lower than the comparable period in the prior year. In FY 2023 capital spending declined 18.1% year over year to reach AED 0.8 billion with an intensity ratio of 32%. Capital spending focused on expansion of FTTH network and enhancement of the mobile and fixed network's capacity.

Debt

Total consolidated gross debt amounted AED 49.0 billion as of 31 December 2023, as compared to AED 48.0 billion as of 31 December 2022; an increase of AED 1.0 billion. This increase is mainly attributed to bank borrowings to finance the investment in Careem Everything App.

Consolidated debt breakdown by operations as of December 2023 is as following:

- Group (AED 39.0 billion)
- Maroc Telecom Group (AED 5.9 billion)
- PTCL Group (AED 3.1 billion)
- e& Egypt (AED 1.1 billion)

Around 73% of the debt balance is of long-term maturity that is due after 1 year. Currency mix of borrowings is 52% in AED, 18% in Euros, 11% in USD and 19% in other currencies.

Consolidated cash balance amounted to AED 29.0 billion as of 31 December 2023 leading to a net debt position of AED 20.1 billion and a Net Debt /EBITDA ratio of only 0.77x.

Key Financial Highlights

P&L Statement:

(AED m)	Q4 2023	Q3 2023	Q4 2022	QoQ	YoY
Revenue	13,738	13,397	13,135	2.5%	4.6%
EBITDA	6,469	6,896	6,042	-6.2%	7.1%
EBITDA Margin (%)	47.1%	51.5%	46.0%	-4.4 pp	1.1 pp
Federal Royalty	(1,799)	(1,777)	(1,329)	1.2%	35.4%
Net Profit	2,616	2,979	2,659	-12.2%	-1.6%
Net Profit Margin (%)	19.0%	22.2%	20.2%	-3.2 pp	-1.2 pp

Balance Sheet:

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

Cashflow Statement:

(AED m)	FY 2023	FY 2022
Operating	15,206	19,135
Investing	(8,738)	(27,269)
Financing	(10,599)	13,621
Net change in cash	(4,130)	5,486
Effect of FX rate changes	280	(1,003)
Others	0	(219)
Ending cash balance	28,989	32,839

Foreign Exchange Rate

	Average Rates			Closing Rates		
	Q4'22	Q4'23	YOY	Q4'22	Q4'23	YOY
EGP - Egyptian Pound	0.1553	0.1188	-23.48%	0.1483	0.1187	-19.95%
SAR - Saudi Riyal	0.9768	0.9790	0.23%	0.9772	0.9793	0.21%
CFA - Central African Franc	0.0057	0.0060	6.45%	0.0060	0.0062	3.56%
PKR - Pakistani Rupee	0.0163	0.0130	-20.52%	0.0162	0.0132	-18.51%
AFA - Afghanistan Afghani	0.0409	0.0500	22.27%	0.0408	0.0513	25.69%
MAD - Moroccan Dirham	0.3399	0.3618	6.45%	0.3513	0.3718	5.86%

Reconciliation of non-IFRS Financial Measurements

We believe that EBITDA is a measurement commonly used by companies, analysts and investors in the telecommunications industry, which enhances the understanding of our cash generation ability and liquidity position, and assists in the evaluation of our capacity to meet our financial obligations. We also use EBITDA as an internal measurement tool and, accordingly, we believe that the presentation of EBITDA provides useful and relevant information to analysts and investors.

Our EBITDA definition includes revenue, staff costs, direct cost of sales, regulatory expenses, operating lease rentals, repairs and maintenance, general financial expenses, and other operating expenses.

EBITDA is not a measure of financial performance under IFRS, and should not be construed as a substitute for net earnings (loss) as a measure of performance or cash flow from operations as a measure of liquidity. The following table provides a reconciliation of EBITDA, which is a non-IFRS financial measurement, to Operating Profit before Federal Royalty, which we believe is the most directly comparable financial measurement calculated and presented in accordance with IFRS.

(AED m)	Q4 2023	Q3 2023	Q4 2022
EBITDA	6,469	6,896	6,042
Depreciation & Amortization	-2,323	-1,751	-1,846
Exchange Gain/ (Loss)	-107	-84	102
Share of Associates and JV's results	276	177	190
Impairment and other losses	-57.6	0	-2.7
Operating Profit before Royalty	4,472	5,407	4,282

Disclaimer

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About e&

e& is an international, blue-chip organisation with operations in 16 countries across the Middle East, Africa and Asia. It is one of the leading technology group with one of the largest market capitalisations among global telcos. It is a highly rated organisation with ratings from Standard & Poor’s and Moody’s (AA-/Aa3).

The Group’s shareholding structure consists of 60% held by the Emirates Investment Authority and 40% free float. e& (Ticker: EAND) is quoted on the Abu Dhabi Securities Exchange (ADX).

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