EMIRATES TELECOMMUNICATIONS GROUP COMPANY PJSC 'ETISALAT GROUP'

EARNINGS RELEASE FOURTH QUARTER 2020

23 FEBRUARY 2021

INVESTOR RELATIONS

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HEAD OFFICE

ETISALAT BUILDING

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FINANCIAL HIGHLIGHTS FOR Q4 2020

- Aggregate subscriber base reached 154 million, representing a year over year increase of 3.6%;
- Consolidated revenues for the fourth quarter amounted to AED 13.1 billion, representing a decrease of 2.1% year over year;
- Consolidated EBITDA for the fourth quarter amounted to AED 6.3 billion, representing an increase of 0.4% year over year and resulting in EBITDA margin of 48%, higher by 1.2 percentage points compared to the prior year;
- Consolidated net profit after Federal Royalty amounted to AED 2.0 billion, resulting in a net profit margin of 16%, and increased year over year by 4.4%; and
- Consolidated capital spending decreased by 27% to AED 2.9 billion, representing 23% of the consolidated revenues.

FINANCIAL HIGHLIGHTS FOR FY 2020

- Aggregate subscriber base reached 154 million, representing a year over year increase of 3.6%;
- Consolidated revenues amounted to AED 51.7 billion, representing a 0.9% decrease year over year;
- Consolidated EBITDA amounted to AED 26.4 billion, representing an increase of 0.3% year over year and resulting in EBITDA margin of 51%, higher by 0.6 percentage points compared to the prior year;
- Consolidated net profit after Federal Royalty amounted to AED 9.0 billion, resulting in a net profit margin of 17%, and increased year over year by 3.8%;
- Consolidated capital spending decreased by 20% to AED 7.1 billion, representing 14% of the consolidated revenues;
- Proposed final dividend payout of 40 fils per share for the second half of 2020, representing a total dividend payout of 80 fils for the full year; and
- Board proposed cancellation of the share buyback program and instead proposed a one-time special dividend of AED 0.40 per share. As a result, the total dividend per share for the full year 2020 is AED 1.20, subject to shareholder approval.

KEY DEVELOPMENTS IN Q4 2020

- Etisalat UAE recognised as the fastest mobile network in the world by Ookla;
- Etisalat named 'Best Regional Wholesale Carrier' at the 2020 Telecoms World Middle East Awards, for the 12th year;
- Moody's completed a periodic review of Etisalat and confirmed Aa3 credit ratings with stable outlook;
- Etisalat achieved the world's fastest 5G download speed of 9.1 Gigabits per second;
- Etisalat joined Amazon Web Services (AWS) Direct Connect Service Delivery Programme to offer fast, private, and secure connectivity for accessing AWS cloud services;
- Etisalat Misr was awarded 20MHz of spectrum in the 2600MHz band;
- Maroc Telecom's subsidiary Mauritel in Mauritania was awarded 4G license;
- Etisalat became the first in the region to adopt blockchain technology in HR, empowering its employees and enhancing their digital experience;
- PTCL partnered with Avaya to launch its QTaleem online digital learning education platform;
- Etisalat partnered with Blue Planet forging a path to create one of the world's most adaptive and self-optimising networks;
- Etisalat teamed up with BMW Group Middle East to power connected drive services in the UAE;
- Etisalat Digital and FAB collaborated to deploy a cloud-based IoT Smart Building solution; and
- Etisalat partnered with Vectramind, a global healthcare and communications technology firm, to offer 'Firstpass' an innovative healthcare platform to its customers in the region.

STATEMENT FROM H.E. OBAID HUMAID AL TAYER, CHAIRMAN OF ETISALAT GROUP

As we begin our journey into a new digitally empowered future, 2020 was a true testimony to Etisalat Group's resilience and agility.

Despite the unprecedented global impact of the COVID 19 pandemic, Etisalat demonstrated robust financial performance, driven by our bold vision to constantly innovate while ensuring that communities we serve remain connected, informed and productive. Across our footprint, we stood for our communities and took immediate steps to protect our teams and customers, support critical verticals, and ensure the uninterrupted delivery of quality services. We engaged heavily with governments and authorities while supporting the community with innovative offerings and free initiatives that assisted students, organisations, and societies as a whole. During the year, revenue and net profit growth were witnessed in our international markets while the domestic market experienced a decline in both due to the pandemic and market maturity.

The telecom industry has proven to be the backbone of the new-norm and a tool of empowerment. We take pride in our response that stood out amongst global peers across our footprint. Etisalat demonstrated strong commitment, swift reactions, and readiness as a result of years of adept planning of business continuity and crisis management scenarios. We have also been in leading positions across several industry rankings. Years of investments in infrastructure and digital capabilities resulted in positioning Etisalat on global standings in ICT readiness and adoption, broadband subscriptions, fiber penetration and mobile coverage.

Etisalat Group is well positioned for the future and we are confident in our ability to maintain our exceptional financial performance. In addition to sustaining our total dividend of AED 0.80 per share, we are pleased to be proposing a special one-time dividend of AED 0.40, bringing the total dividends for the year to AED 1.20 per share representing a dividend payout ratio of 115% and a high dividend yield for year 2020. This is a testament to our commitment of enhancing shareholder value.

I would like to extend my gratitude and appreciation to the UAE leadership, an inspiration and motivation behind every success in our journey. Thanks to our customers for allowing us to be part of their lives, our stakeholders for their continuous trust and Etisalat employees and management team for their efforts and unwavering commitment towards realising our vision of driving the digital future to empower societies.

STATEMENT FROM HATEM DOWIDAR, CEO OF ETISALAT GROUP

Our journey in 2020 was transformational with an unprecedented pandemic that reshaped humanity, created a new 'irreversible' normal, shattered the digital adoption divide, and accelerated the future. For Etisalat Group, it was a year of resilience, agility, social responsibility, and in contrast to many businesses, great results. A moment of truth that obliged us to reflect and transform at group level to affirm our position as a leading world-class telco.

It was indeed a challenging year, however across our operations we remained committed and took necessary steps to support our customers and the communities we serve. Our prime focus was to ensure business continuity and the sustainability of high quality services in a manner that was safe for our employees and customers. This was all possible due to the relentless effort towards realising our vision while investing for growth, sustaining a world-class telecom infrastructure, retaining differentiated assets, platforms, and capabilities integral to building a network for a better future across our operations. As a result we have achieved many historical milestones, from being recognised as the fastest mobile network in the world, to being crowned the strongest brand in Middle East and Africa and the most valuable telecom portfolio brand for a fifth year in a row.

In a challenging environment, we performed effectively and achieved strong financial and operational results with slightly lower revenue. Group consolidated revenue decreased by 0.9% while EBITDA rose by 0.3%, resulting in a healthy EBITDA margin of 51.1% The COVID-19 pandemic has had a negative impact on UAE's performance that resulted in revenue and EBITDA decline. This was mostly compensated by growth in revenue and EBITDA of international operations. Consequently, consolidated group net profit grew by 3.8% reaching AED 9.0 billion.

Moving forward, I am confident that we will remain in a strong position compared to our global peers and other industries by maintaining our momentum and continuing our efforts to address several industry-wide challenges, focusing on operational areas of improvement and creating group synergies to capture further value.

We are looking beyond business as usual achievements and aiming to accelerate several key strategic priorities. We are certain that our "own transformation" is a necessity considering the enormous changes in industry ecosystem. In 2020 we have launched a Group-wide transformation program to address the challenges and seize the opportunities while shaping the future for Etisalat Group as a leading world-class telco.

The digital services and international portfolio remain the major drivers for future growth. There is considerable untapped potential and opportunities in the areas of cloud, IoT, and cyber security, which are expected to fuel future digital growth and rebalance telecom revenues. We will remain focused on improving operational excellence across our footprint, rationalise our portfolio and enrich it with assets that maximise the return on investment for our shareholders and added value for our customers. Moreover, 5G deployment will continue and unlock new business opportunities.

Etisalat is thankful to the visionary leaders of the UAE for their continuous support of the telecom sector and we owe our customers and shareholders immense appreciation for their trust and support. Thanks to our dedicated teams for going far and beyond in serving our customers, sustaining premium services in times of uncertainty and in times of prosperity.

IMPACT OF COVID-19 PANDEMIC ON ETISALAT GROUP

On 11th of March 2020, the World Health Organization (WHO) declared the coronavirus outbreak a pandemic. Most countries around the world, including the majority of countries where the Etisalat Group operates, implemented severe restrictions on travel and public gatherings. Airports, government offices, schools, businesses, retail stores and other public venues were closed, curfews were instituted and quarantines were enforced. The restrictions resulted in significantly reduced mobility and severe disruptions in global economic activity, especially during the second and third quarters of the year.

Impact on our operations:

The Group's operations were impacted as a result of the temporary lockdown measures. This affected the way in which business was conducted while also putting pressure on the Group's revenue, as stores were forced to close. The mobile prepaid segment and the sale of handsets were negatively affected by mobility restrictions. Similarly, roaming revenue was impacted by the imposed travel ban. Moreover, additional provisions related to trade receivables and contract assets were booked during the year. In the third and fourth quarters, as restrictions began to ease, commercial activities improved gradually. However, due to weaker macroeconomics that continued to pressure consumer and corporate spending, they remained below their pre-COVID-19 levels.

Company response:

The Group demonstrated resilience and ensured uninterrupted delivery of high-quality services during this time. It also found meaningful ways to contribute to the societies in which it operates. The pandemic forced Etisalat to adapt to the new market environment quickly and to tap into new business opportunities with customers, vendors, government authorities and co-workers.

Etisalat's main priority in 2020 was to provide uninterrupted critical services and to safeguard the health and safety of both customers and employees. The necessary precautions and preventive measures were taken at Etisalat's premises, and a remote working arrangement was implemented for staff, excluding those who work in critical technical and installation services. Etisalat's shops were closed temporarily, and sales were moved online to digital channels. As restrictions started to ease, company-operated stores were gradually re-opened. A new touchless retail approach was instituted to ensure the safety of employees and customers.

Etisalat Group's existing documented business continuity plan was activated to ensure the safe and stable continuation of its business operations. Etisalat's ISO 22301 certified business continuity function formed continuity planning committees to determine and oversee the implementation of all business continuity plans associated with the effects of COVID-19, including measures to address and mitigate key operational and financial issues.

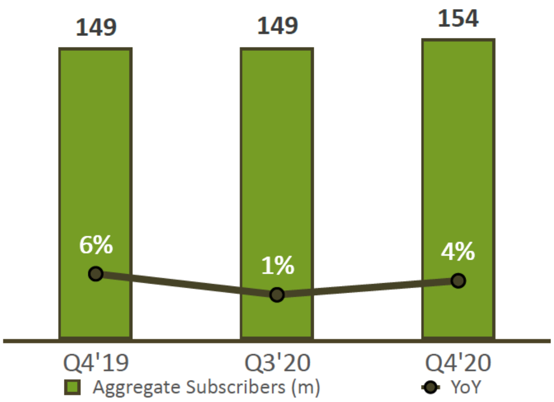
In response to top-line pressure, the Group implemented cost optimisation initiatives to address the impact of COVID-19. At the same time, it remained focused on initiatives for the future.

Outlook:

Despite the improvements that were observed during the second half of the year, Etisalat's performance remained below what they were pre-COVID. Heightened macroeconomic risks will likely persist, continuing in the first half of 2021. Etisalat Group will continue to update its plans in light of the vaccine rollout and will respond to the situation as effectively as possible. It is clear that the crisis has increased the importance of Etisalat Group's network infrastructure and telecom services.

For more details on the impact of COVID-19 on Etisalat Group's business and financial results, please refer to note 42 in the consolidated financial statements.

SUBSCRIBERS



Etisalat Group aggregate subscribers as at 31 December 2020 was 154 million, reflecting a net addition of 5.4 million during the last 12 month period due to strong subscriber acquisition in Mali, Burkina Faso, Chad, Saudi Arabia, Togo and Benin. Quarter over quarter subscriber base increased by 3%.

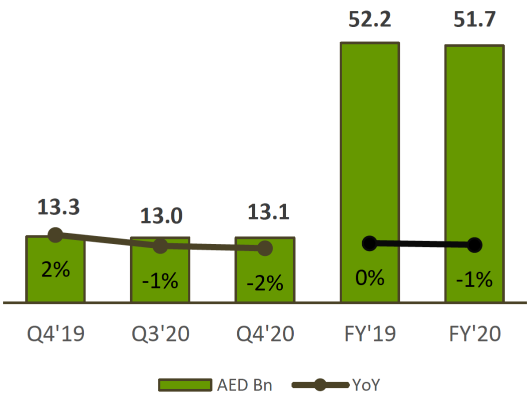
In the UAE, the active subscriber base amounted to 12.2 million subscribers in the fourth quarter of 2020, which decreased by 3% year over year and increased by 1% quarter over quarter. The mobile subscriber base decreased by 4% year on year to 10.4 million subscribers attributed to the prepaid segment that dropped by 6%. Meanwhile, the postpaid segment grew by 5%. eLife subscription continued to drive consistent growth with 3% year on year increase to 1.1 million subscribers attributed to double and triple play. Total broadband segment grew by 3% year on year to over 1.2 million subscribers.

For Maroc Telecom, the subscriber base reached 72.9 million subscribers as at 31 December 2020, representing a year over year growth of 8%. This growth is mainly attributable to the operations in Mali, Ivory Coast, Burkina Faso and Chad.

In Egypt, subscriber base remained flat year over year at 26.4 million. Quarter over quarter increased by 1%.

In Pakistan, subscriber base stood at 25.5 million, representing a year over year decline of 1%, attributed to lower subscriber acquisition in the mobile segment. Quarter over quarter increased by 3% attributed to growth in mobile and fixed subscribers.

REVENUE



Etisalat Group's consolidated revenue for the fourth quarter of 2020 amounted to AED 13.1 billion, representing a decrease of 2.1% in comparison to the same period last year and increased by 0.2% quarter over quarter. Fourth quarter revenue witnessed growth in international operations however was impacted negatively in the UAE due to the on-going impact of COVID-19 pandemic on business activities.

Full year consolidated revenue decreased by 0.9% to AED 51.7 billion impacted by the temporary lockdowns, restricted mobility and travel bans that resulted in reduced activities in most of our markets.

In the UAE, revenue in the fourth quarter decreased year on year by 8% to AED 7.4 billion and decreased quarter over quarter by less than 1%. The year over year decrease is attributed to commercial activities remaining below pre-COVID levels as the macro-economic situation continues to pressure consumer and corporate spending. Mobile segment revenue declined year over year by 15% to AED 2.6 billion as the pandemic resulted in a drop in mobile prepaid and roaming revenues, in addition to increased penetration of OTT services impacting voice revenue… Fixed segment revenue declined by 2% year over year to AED 2.8 billion due to lower fixed voice revenue. Other segment revenue decreased year over year by 7% to AED 2.0 billion attributed to lower wholesales and handset sale.

For the full year, revenue decreased by 5% to AED 29.9 billion. Due to the pandemic, mobile and fixed voice, outbound and visitor roaming and handset sales declined year over year. This was partially compensated by growth in data, digital and TV services.

Revenues of International consolidated operations for the fourth quarter of 2020 increased year over year by 8% to AED 5.6 billion and increased quarter over quarter by 3%. The growth is attributable to the strong performance of Etisalat Misr, growth in Maroc Telecom Group's international subsidiaries, and improvement in the performance of our operations in Pakistan despite the unfavorable exchange rate movement in Pakistani Rupees against the UAE Dirham.

For the full year, revenue generated in international markets increased year on year by 4% to AED 21.2 billion mainly attributed to the growth in Egypt and Maroc Telecom Group. Revenues from international operations represented 41% of the group's consolidated revenue.

Maroc Telecom consolidated revenue for the fourth quarter of 2020 amounted to AED 3.5 billion, representing a year over year increase of 6% attributed mainly to the growth in international operations. In Morocco, revenue decreased year over year in local currency by 4%. The mobile segment revenue decreased by 10% impacted by decline in incoming international revenue, outgoing prepaid and roaming activities and increased competition. This however was partially offset by the increase in the revenue of the fixed segment by 5% as a result of 9% growth in fixed broadband. Revenues from international operations increased year over year by 6% in local currency, resulting in 48% contribution to Maroc Telecom Group's consolidated revenue.

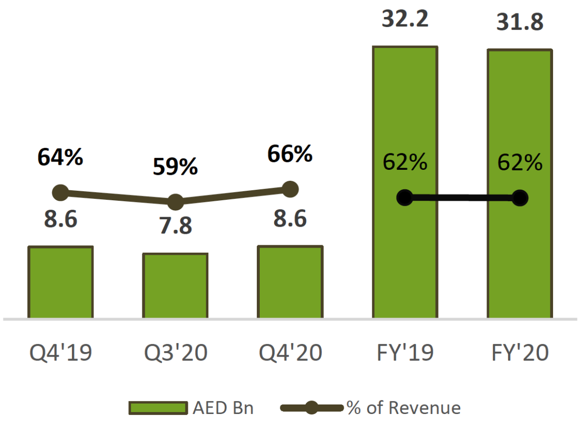
For the full year, revenue increased by 2% in AED and by 1% in MAD, attributed to revenue growth in international subsidiaries by 5% due to increase in mobile data and mobile money and full integration of Tigo Chad. This offset the revenue decline in Morocco of 4%.

In Egypt, revenue for the fourth quarter of 2020 was AED 1.1 billion, an increase of 19% year on year and 5% quarter over quarter. Revenue for the full year 2020 was AED 4.2 billion, increasing year on year by 22%. Revenue growth is attributed to strong contribution from mobile data and national roaming revenue.

In Pakistan operations, revenue for the fourth quarter was AED 0.8 billion, representing a year over year increase of 3% and quarter over quarter increase of 7%. This growth was attributed to the strong performance of fixed broadband and UBank segments along with improvement in Mobile segment.

Full year revenue declined by 7% to AED 2.9 billion, impacted by unfavourable exchange rate movements of the Pakistani Rupee against AED. In local currency, revenue was stable attributed to growth in fixed data and Ubank that offset the decline in mobile segment that was more exposed to COVID-19 impact and the reinstatement of taxes on telecom services.

OPERATING EXPENSES



Consolidated operating expenses for the fourth quarter of 2020 was AED 8.6 billion, flat compared to the same quarter of the previous year and an increase of 11% from the third quarter of 2020. The quarter on quarter increase is attributed mainly to higher direct cost of sales, higher depreciation expenses, higher staff costs and higher marketing costs. For the full year, consolidated operating expenses decreased by 1% to AED 31.8 billion mainly due to lower marketing costs, lower staff costs, foreign exchange gains, lower consultancy costs and lower IT costs. Key components of operating expenses are:

- Direct cost of sales increased year over year by 4% to AED 3.3 billion in the fourth quarter of 2020, while remained flat at AED 12.3 billion for the full year. As a percentage of revenue, it increased by 1 percentage point to 25% in the fourth quarter and remained stable at 24% for the full year.

- Staff expenses decreased by 2% to AED 1.2 billion for the fourth quarter of 2020 as compared to the same period of last year. For the full year 2020, staff expenses decreased by 6% to AED 4.6 billion. As a percentage of revenue, staff costs remained stable in both the fourth quarter and the full year at 9%.

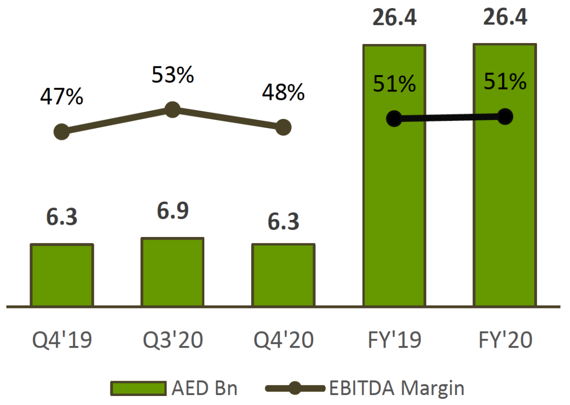
- Depreciation and Amortization expenses increased year over year by 12% to AED 2.1 billion in the fourth quarter of 2020, while increased by 6% to AED 7.9 billion for the full year. As a percentage of revenue, depreciation and amortization expenses increased by 2 percentage points to 16% for the fourth quarter and increased by 1 percentage point for the full year 2020.

- Network costs remained stable year over year at AED 0.6 billion in the fourth quarter of 2020 and increased by 1% to AED 2.6 billion for the full year. As a percentage of revenue, network costs remained stable at 5% for the fourth quarter and for the full year.

- Marketing expenses decreased by 52% to AED 0.3 billion in the fourth quarter of 2020 and by 31% to AED 0.9 billion for the full year. As a percentage of revenue, marketing expenses decreased by 2 percentage points to 2% in the fourth quarter and decreased by 1 percentage point to 2% of the full year revenue.

- Other operating expenses increased by 2% year over year to AED 1.0 billion in the fourth quarter while decreased by 4% to AED 3.5 billion for the full year. As a percentage of revenue, other operating expenses remained stable at 8% for the quarter and 7% for the full year.

EBITDA



Group consolidated EBITDA for the fourth quarter of 2020 increased by 0.4% year on year and decreased by 8.7% quarter on quarter to AED 6.3 billion, resulting in EBITDA margin of 48%, 1.2 percentage points higher than the prior year and 4.7 percentage points lower than the prior quarter. Despite lower revenue. The year over year stability in EBITDA is attributed to the ongoing cost optimisation initiatives and lower provisions for bad debt.

For the full year, EBITDA amounted to AED 26.4 billion, an increase of 0.3% year over year, while EBITDA margin increased by 0.6 percentage point to 51%. This was mainly attributed to cost control measures that compensated for the decline in revenues and increase in impairment loss on trade receivables.

In the UAE, EBITDA in the fourth quarter of 2020 was AED 3.7 billion, representing a 6% decrease year over year and leading to an EBITDA margin of 50%, 1 percentage point higher than the fourth quarter of the previous year mainly attributed to lower revenue and higher cost of sales. Full year EBITDA in 2020 decreased by 4% to AED 15.8 billion resulting in an EBITDA margin of 53%, 1 percentage point higher than the prior year. The year over year decrease is attributed to lower revenue.

EBITDA of International consolidated operations increased year over year by 16% to AED 2.6 billion in the fourth quarter, resulting in a 42% contribution to the group's consolidated EBITDA. For the full year, EBITDA increased by 6% to AED 10.4 billion resulting in EBITDA margin of 49%, 1 percentage point higher than the prior year. This growth is attributed to the operations in Egypt and Maroc Telecom Group.

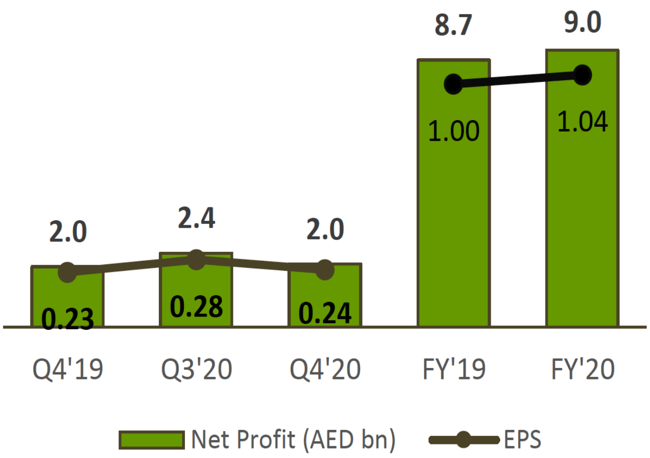
Maroc Telecom's consolidated EBITDA for the fourth quarter of 2020 amounted to AED 1.9 billion increasing year over year by 11%, resulting in an EBITDA margin of 54%, 2 percentage points higher than the prior year. In Moroccan Dirham, EBITDA in absolute terms increased year over year by 5% due to growth in international operations and Moroccan operation that grew by 12% and 1%, respectively.

Full year EBITDA increased by 5% to AED 7.6 billion, resulting in an EBITDA margin of 56%, 1 percentage point higher than the prior year. In Moroccan Dirham, EBITDA increased year over year by 3%. This is attributed to EBITBA growth in Morocco by 0.6% benefiting from one-off related to resolution of disputes and 8% growth in the EBITDA of the international subsidiaries benefiting from full year integration of Chad operation.

In Egypt, EBITDA in the fourth quarter increased year on year by 41% to AED 0.4 billion and EBITDA margin increased by 6 percentage points to 38%. This growth is attributed to higher revenue coupled with lower cost of sales. Quarter over quarter, EBITDA decreased by 12% and EBITDA margin by 7 percentage points. The quarter over quarter decline is mainly attributed to higher operating costs. For the full year, EBITDA increased by 27% to AED 1.7 billion attributed to improved revenue trend.

In Pakistan, EBITDA in the fourth quarter of 2020 increased year on year by 19% and quarter over quarter by 5% to AED 0.2 billion with EBITDA margin increasing year over year by 4 percentage points to 32%. This growth is mainly due to higher revenue and cost control measures. For the full year 2020, EBITDA declined by 10% to AED 0.9 billion with EBITDA margin lower by 1 percentage point at 31%. This was attributable to currency devaluation and higher cost of sales.

NET PROFIT & EPS



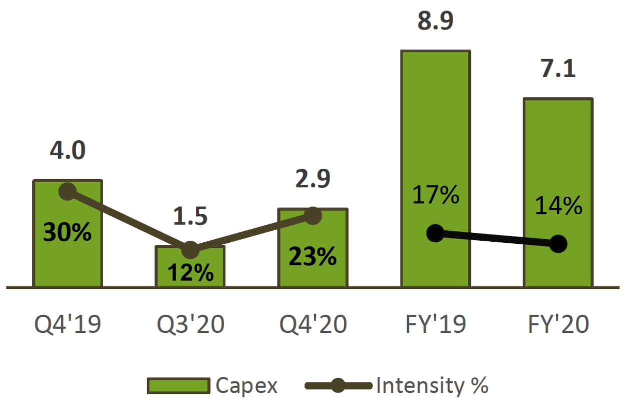
Consolidated net profit after federal royalty increased year over year by 4.4% to AED 2.0 billion in the fourth quarter of 2020 resulting in a higher profit margin of 1 percentage point to 16%. This increase is attributed to better contribution from associates, lower asset impairment, higher forex gain and lower net finance and other costs.

Full year net profit increased by 3.8% to AED 9.0 billion resulting in profit margin of 17%. This increase is attributed to higher EBITDA, better performance of associates, lower asset impairment, lower federal royalty charges and forex gains as compared to forex losses in the prior period.

Earnings per share (EPS) amounted to AED 0.24 in the fourth quarter and AED 1.04 for the full year of 2020.

On 22 February 2021, the Board of Directors has resolved to propose a final dividend for the second half of 2020 at the rate of 40 fils per share, bringing the full year dividend to 80 fils per share. In addition, the board proposed cancellation of the share buyback program and instead proposed a one-time special dividend of AED 0.40 per share. As a result, the total dividend per share for the full year 2020 is AED 1.20. These proposals are subject to shareholders' approval at the Annual General Meeting scheduled on 17 March 2021. Final dividend to be paid to the shareholders registered as at the closing of the share register on Sunday, 28 March 2021.

CAPEX



Consolidated capital expenditure decreased year over year by 27% to AED 2.9 billion in the fourth quarter of 2020 resulting in a capital intensity ratio of 23%. This decrease is mainly attributed to lower capex spend in the UAE. Full year capital expenditure decreased by 20% to AED 7.1 billion resulting in capital intensity ratio of 14%, 3 percentage points lower than the prior year.

In the UAE, capital expenditure in the fourth quarter was focused on building new data centers and enhancing network quality and capacity. Capital expenditure during the quarter amounted to AED 1.1 billion, a 56% decrease in comparison to the same period last year. Capital intensity ratio was 15%, representing 16 percentage points lower than the same quarter of the prior year and 2 percentage points higher than the third quarter of 2020.

Full year capital expenditure amounted to AED 3.4 billion, a 23% decrease from the prior year. Capital intensity ratio was 11%, 3 percentage points lower than in 2019. Full year capex focused on 5G network rollout, network modernization and upgrades to support the increase in data traffic, building capabilities to support new revenue streams in digital and ICT and network maintenance.

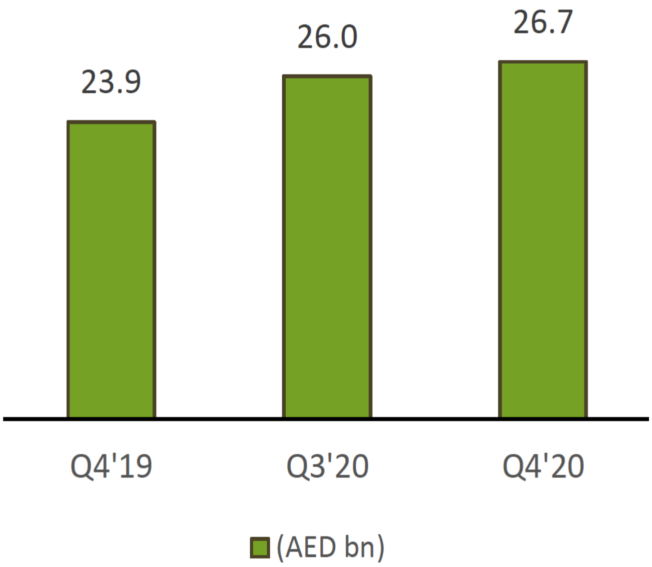
Capital expenditures in consolidated International operations in the fourth quarter of 2020 increased by 21% to AED 1.8 billion compared to the same period last year and represented 62% of the group's total capital expenditure. This increase is mainly attributable to the new spectrum acquired in Egypt during the quarter. Full year capital expenditures in consolidated international operations amounted to AED 3.6 billion, a 19% decrease compared to the prior year with a capital intensity ratio of 17%, 5 percentage points lower than the prior year.

In Maroc Telecom, capital expenditure for the fourth quarter decreased by 31% year over year however increased by 72% quarter over quarter to AED 0.6 billion, resulting in a capital intensity ratio of 16%. The quarter over quarter increase is attributed to acquiring 4G license in Mauritania. Full year capital expenditure decreased by 48% to AED 1.4 billion resulting in a capital intensity ratio of 10%, which was 10 percentage points lower than last year. Capex spend in Morocco decreased year over year by 51% and was focused on the fibre-to-the-home network. On the international front, capex spend also decreased year over year by 47% with spend focusing on networks expansion and upgrades to support the growth of data usage.

In Egypt, capital expenditure for the fourth quarter increased by 257% year over year to AED 0.9 billion resulting in a capital intensity ratio of 79%, 53 percentage points higher than the same period of the prior year. Full year capital expenditure amounted to AED 1.4 billion, an 89% increase year over year and a capital intensity ratio of 35%, 12 percentage points higher than the prior year. The increase in capital spending is mainly attributed to the new spectrum acquired in the fourth quarter.

In Pakistan, capital expenditure for the fourth quarter decreased by 12% year over year to AED 0.3 billion resulting in a capital intensity ratio of 41%, 7 percentage points lower than the prior year. Full year capital spending decreased by 26% to AED 0.7 billion resulting in a capital intensity ratio of 25%, 6 percentage points lower than the prior year. Capital spending focused on enhancement of the mobile network coverage and capacity.

DEBT



Total consolidated debt amounted AED 26.7 billion as of 31 December 2020, as compared to AED 23.9 billion as at 31 December 2019; an increase of AED 2.8 billion.

Consolidated debt breakdown by operations as of 31 December 2020 is as following:

- Etisalat Group (AED 15.8 billion)
- Maroc Telecom Group (AED 7.7 billion)
- Etisalat Misr (AED 1.6 billion)
- PTCL Group (AED 1.6 billion)

More than 51% of the debt balance is of long-term maturity that is due beyond 2021.

Currency mix for external borrowings is 41% in Euros, 23% in US Dollars, 18% in MAD and 18% in various currencies.

Consolidated cash balance amounted to AED 31.3 billion as of 31 December 2020 leading to a net cash position of AED 4.6 billion.

PROFIT & LOSS SUMMARY

(AED m)	Q4'19	Q3'20	Q4'20	QoQ	YoY	FY'19	FY'20	YoY
Revenue	13,341	13,039	13,064	+0.2%	-2.1%	52,186	51,708	-0.9%
EBITDA	6,277	6,904	6,301	-8.7%	+0.4%	26,370	26,443	+0.3%
EBITDA Margin	47.1%	53.0%	48.2%	-4.7pp	+1.2pp	50.5%	51.1%	+0.6pp
Federal Royalty	(1,028)	(1,475)	(1,155)	-21.7%	+12.4%	(5,827)	(5,594)	-4.0%
Net Profit	1,963	2,412	2,048	-15.1%	+4.3%	8,693	9,027	+3.8%
Net Profit Margin	15%	18%	16%	-2.8pp	+1.0pp	17%	17%	+0.8pp

BALANCE SHEET SUMMARY

(AED m)	December 2019	December 2020
Cash & Bank Balances	29,657	31,345
Total Assets	128,266	133,018
Total Debt	23,889	26,701
Net Cash /)Debt	5,768	4,644
Total Equity	57,767	60,550

CASH FLOW SUMMARY

(AED m)	FY' 2019	FY' 2020
Operating	19,426	18,968
Investing	(8,603)	(7,129)
Financing	(9,678)	(9,443)
Net change in cash	1,145	2,396
Effect of FX rate changes	174	(684)
Reclassified as held for sales	(24)	(23)
Ending cash balance	29,657	31,345

	Average Rates			Closing Rates		
Foreign Exchange Rates	Q4'19	Q4'20	YOY	Q4'19	Q4'20	YOY
EGP - Egyptian Pound	0.2274	0.2339	2.87%	0.2290	0.2335	1.97%
SAR - Saudi Riyal	0.9792	0.9791	-0.01%	0.9790	0.9789	-0.01%
CFA - Central African Franc	0.0062	0.0067	7.51%	0.0063	0.0069	9.73%
PKR - Pakistani Rupee	0.0236	0.0228	-3.39%	0.0237	0.0229	-3.42%
AFA - Afghanistan Afghani	0.0467	0.0475	1.79%	0.0466	0.0471	0.92%
MAD - Moroccan Dirham	0.3800	0.4027	5.98%	0.3825	0.4136	8.13%

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)	Q4'19	Q3'20	Q4'20	FY'19	FY'20
EBITDA	6,277	6,904	6,301	26,370	26,443
Depreciation & Amortization	(1,906)	(1,955)	(2,144)	(7,465)	(7,900)
Exchange Gain/ (Loss)	32	69	94	(59)	165
Share of Associates and JV's results	37	58	60	(36)	197
Impairment and other losses	(1,188)	0	(297)	(1,186)	(297)
Operating Profit before Royalty	3,179	5,076	4,014	17,624	18,610

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ABOUT ETISALAT GROUP

Etisalat Group is an international, blue-chip organisation with operations in 16 countries across the Middle East, Africa and Asia. It is one of the leading telecom operators with one of the largest market capitalization among Middle East, African and Asian telcos. It is a highly rated telecom company with ratings from Standard & Poor's and Moody's (AA-/Aa3).

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

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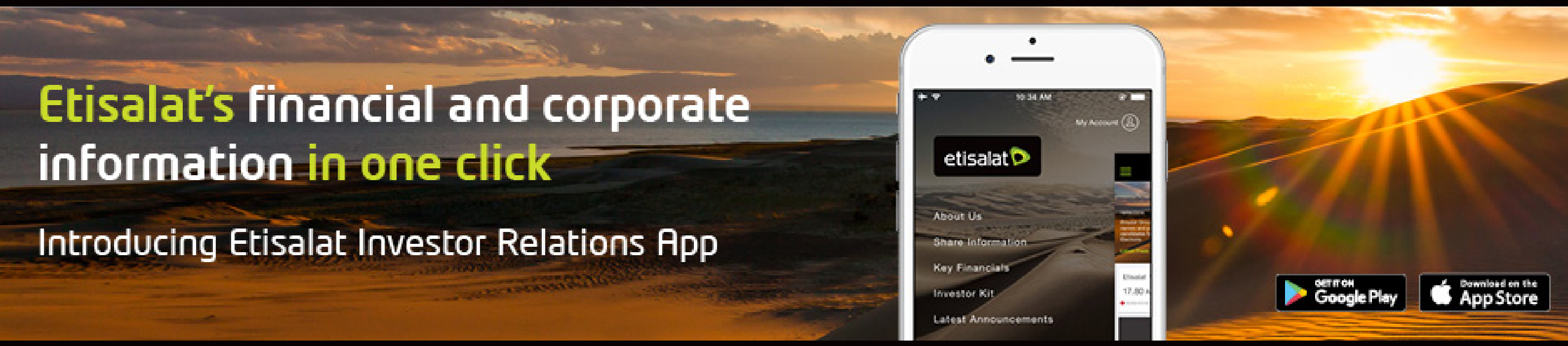

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