e& etisalat and

Emirates Telecommunications Group Company PJSC

Earnings Release - Fourth Quarter 2021

24 February 2022

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Financial Highlights for FY 2021

- Aggregate subscriber base reached 159 million, representing a year over year increase of 3.0%
- Consolidated revenues amounted to AED 53.3 billion, representing a 3.2% increase year over year
- Consolidated EBITDA amounted to AED 26.7 billion, representing an increase of 1.0% year over year and resulting in EBITDA margin of 50%
- Consolidated net profit after Federal Royalty amounted to AED 9.3 billion, resulting in a net profit margin of 17%, and increased year over year by 3.2%
- Consolidated capital spending increased by 18% to AED 8.4 billion, representing 16% of the consolidated revenues. Excluding spectrum and license costs, capex increased by 8%
- Normalized operating free cash flow (excluding spectrum and license costs) amounted to AED 19.7 billion, representing a decrease of 1.3% year over year
- Full year results exceeded 2021 management guidance
- Proposed final dividend payout of 40 fils per share for the second half of 2021, representing a total dividend payout of 80 fils for the full year.

Financial Highlights for Q4 2021

- Consolidated revenues for the fourth quarter amounted to AED 13.6 billion, representing an increase of 4.2% year over year
- Consolidated EBITDA for the fourth quarter amounted to AED 6.6 billion, representing an increase of 4.3% year over year and resulting in EBITDA margin of 48%
- Consolidated net profit after Federal Royalty amounted to AED 2.1 billion, increasing year over year by 4.3%, and resulting in a net profit margin of 16%
- Consolidated capital spending remained flat at AED 2.9 billion, representing 22% of the consolidated revenues
- Operating free cash flow amounted to AED 3.6 billion, representing a 8% increase year over year.

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Key Developments in Q4 2021

- Etisalat Group (now known as e&) and G42 signed an agreement to create the largest data centre provider in the UAE by combining their data centres
- e& signed an agreement to acquire 100% of the online groceries marketplace ElGrocer
- e& enterprise and Accenture joined forces to offer Oracle enterprise cloud services
- e& launched the Business App Store, the first software-as-a-service platform of its kind in the region that integrates all business applications for small and medium-sized companies
- Etisalat UAE launched the Business Edge Healthcare platform, a plethora of services dedicated to enhance and empower hospitals, ambulatory practices and medical staff
- Etisalat UAE partnered with Sharjah Roads and Transport Authority (SRTA) to provide smart services and products to enhance sustainable transport in the emirate
- Etisalat UAE partnered with Microsoft's Digital Crimes Unit to secure the UAE's digital borders
- PTCL launched cyber security services for corporate customers
- PTCL and Ufone have been recognized as the Best Place to Work at Pakistan's leading HR awards
- e& was awarded the "Best Wholesale and Service Provider in the Middle East" during the Global Carrier Awards 2021
- e& recognised for its unwavering commitment to Abu Dhabi's digital transformation journey at the Abu Dhabi Digital Authority ICT Leaders Meeting and received three awards: 'Government Services' award, the 'Information Security' and the 'Shared Government Solutions' award.

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

It is my great pleasure to present the financial results for the year 2021. e& celebrated multiple milestones, witnessed historical achievements, and saw strong financial performance, all of which I believe are setting us up for an even brighter digital future. The digital revolution spurred by the pandemic does not show signs of slowing down. In fact, telecom operators were faced with two choices: stay still and offer the same services or innovate to ensure business continuity and more importantly, achieve growth. We will continue to rise to the challenge and innovate at every opportunity presented to us because we firmly believe that we can make a difference in the lives of millions in a time of accelerated digitalisation, and we are ready to meet the demands of the future with confidence, resilience, and agility.

I would like to extend our gratitude to the UAE leadership for inspiring us through their vision as we continue to go from strength to strength. It is an honour to be empowered as an organisation to amplify our growth prospects, charter our course into a more holistic digital transformation, develop new ICT capabilities, and build a new reality for all of us through next-generation digital connectivity and cutting-edge technologies.

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Statement from Hatem Dowidar, Chief Executive Officer of e&

This has been an exceptional year during which we have witnessed robust financial performance and business growth across our operations. I am particularly proud of our performance set against the backdrop of another challenging year as we continued to navigate through the effects of the Covid-19 pandemic. Our domestic and international operations delivered a strong performance over the course of the year as a result of our continuous focus on maintaining growth.

It was a great honour for us to be recognised as the world's strongest telecom brand and the most valuable telecom brand portfolio in MEA, which is a testament to the success of our strategic initiatives, the building of one of the world's fastest networks and, of course, our employees' relentless dedication. I would like to extend my gratitude to the entire e& family, who continue to make us proud at every step of the way.

Thanks to our customers and shareholders for their continued support of our business and vision as we move forward with our mission to pioneer broad-spectrum technologies, build breakthrough partnerships and uncover opportunities that will empower the future.

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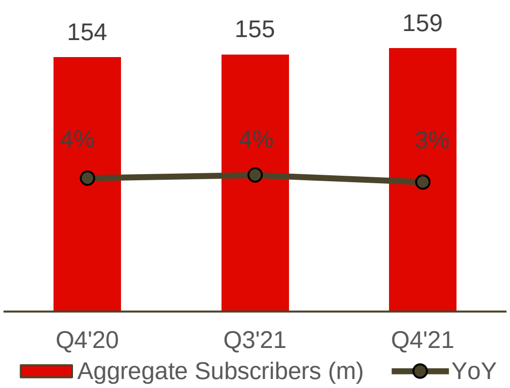
Subscribers



Aggregate subscribers of e& as at 31 December 2021 was 159 million, reflecting a net addition of 4.7 million during the last 12 month period due to strong subscriber acquisition in UAE, Saudi Arabia, Egypt, Burkina Faso, Chad, Benin, Ivory Coast, Morocco and Mauritania. Quarter over quarter subscriber base increased by 2%.

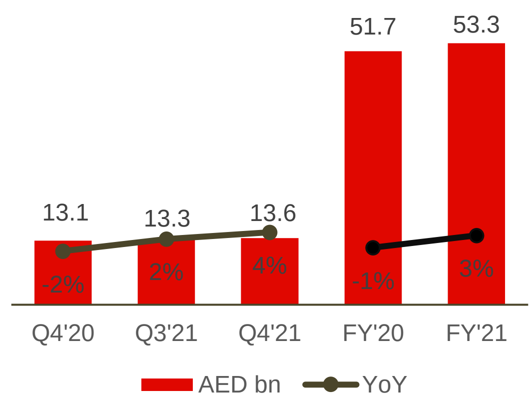
In the **UAE,** the active subscriber base amounted to 12.7 million subscribers in the fourth quarter of 2021, which increased by 4% year over year and 6% quarter over quarter. The mobile subscriber base increased by 6% year on year to 11.0 million subscribers attributed to both the postpaid and prepaid segments that increased by 8% and 6% respectively. Quarter over quarter, mobile subscriber base increased by 675 thousand subscribers driven by an increase in prepaid subscribers attributed to Expo2020 event and increase in visitors. eLife subscription continued momentum driven by our strong value proposition coupled with our superior network quality. This combination is helping in driving consistent growth with 2% year on year increase to 1.1 million subscribers attributed to double and triple play. Total broadband segment grew by 5% year on year to 1.3 million subscribers.

For **Maroc Telecom,** the subscriber base reached 74.2 million subscribers as at 31 December 2021, representing a year over year growth of 2%. This growth is mainly attributable to the operations in Burkina Faso, Chad, Benin, Ivory Coast, Morocco and Mauritania.

In Egypt, subscriber base increased by 5% year over year to 27.8 million. Quarter over quarter increased by 3%.

In **Pakistan**, subscriber base stood at 25.2 million, representing a year over year decline of 1%, attributed to lower subscriber acquisition in the mobile segment. Quarter over quarter remained flat across both mobile and fixed subscribers.

Revenue



Consolidated revenue for the fourth quarter of 2021 amounted to AED 13.6 billion, representing an increase of 4.2% in comparison to the same period last year and an increase of 2.4% quarter over quarter. Fourth quarter revenue witnessed strong recovery in UAE and continued growth of international operations year over year.

Full year consolidated revenue increased by 3.2% to AED 53.3 billion supported by increased demand for data connectivity and witnessed growth in international operations as well as in domestic operations.

In the **UAE**, strong revenue recovery in the fourth quarter of 5% year on year and quarter on quarter

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to AED 7.8 billion. The year over year increase is attributed to commercial activities recovering as the macro-economic situation began to ease pressure on consumer and corporate spending. Mobile segment revenue grew year over year by 6% to AED 2.8 billion as the ease in restrictions and Expo 2020 resulted in an increase in tourists in the country positively impacting both prepaid and postpaid revenues. Fixed segment revenue increased by 1% year over year to AED 2.8 billion due to higher internet and TV services. Other segment revenue increased year over year by 12% to AED 2.2 billion attributed to wholesale and digital services.

For the full year, revenue increased by 1% to AED 30.2 billion attributed to growth in data, digital services, outbound roaming, TV services and handsets that offset the decline in voice revenue that continued to be impacted by the increased penetration of OTT services.

Revenues of **International consolidated operations** for the fourth quarter of 2021 increased year over year by 2% to AED 5.7 billion and declined quarter over quarter by 1%. The year on year growth is attributable to the strong performance of Etisalat Misr and Moov Africa.

For the full year, revenue generated in international markets increased year on year by 7% to AED 22.6 billion attributed to the growth in Egypt, Pakistan and Maroc Telecom Group. Revenues from international operations represented 42% of the group's consolidated revenue.

Maroc Telecom consolidated revenue for the fourth quarter of 2021 amounted to AED 3.4 billion, representing a year over year decrease of 2% attributed to the decline in operations of Morocco and the international subsidiaries. In Morocco, revenue decreased year over year in local currency by 3%. The mobile segment revenue decreased by 5% impacted by decline in incoming revenue due to decrease MTR rate, decline in outgoing revenue due to the unfavourable regulatory and competitive environments. This however was partially offset by the increase in the revenue of the fixed broadband of 7% while fixed segment revenue was stable year over year. Revenues from international operations "Moov Africa" decreased year over year by 3% in local currency, resulting in 48% contribution to Maroc Telecom Group's consolidated revenue.

For the full year, revenue increased by 3% in AED due to MAD appreciation against AED; however it decreased by 3% in MAD, attributed to the domestic operations in Morocco which declined by 5% in local currency. Mobile revenue declined by 8% and fixed segment was stable. This decline is attributed to the ongoing regulatory and competitive pressure and decrease in national call termination rates that affected performance. Revenue from international operations "Moov Africa" was stable year over year in MAD, resulting in 47% contribution to Maroc Telecom Group's consolidated revenue. This performance is attributed to unfavourable exchange rate movement in CFA against MAD and decrease in termination rates that was offset by the strong growth in mobile data and mobile money.

In **Egypt**, revenue for the fourth quarter of 2021 was AED 1.4 billion, an increase of 22% year on year and 5% quarter over quarter. Revenue for the full year 2021 was AED 5.0 billion, increasing year on year by 21%. Revenue growth is attributed to subscriber growth and strong contribution from mobile data and national roaming revenue.

In **Pakistan** operations, revenue for the fourth quarter was AED 0.7 billion, representing a year over year and quarter over quarter decrease of 3%, due to unfavourable exchange rate movements of the Pakistani Rupee against AED. In local currency, revenue increased by 4% year over year attributed to the strong performance of mobile and fixed broadband along with UBank segment due to strong growth in deposit base and loan portfolio.

Full year revenue increased by 6% to AED 3.1 billion. The growth was attributed to the positive

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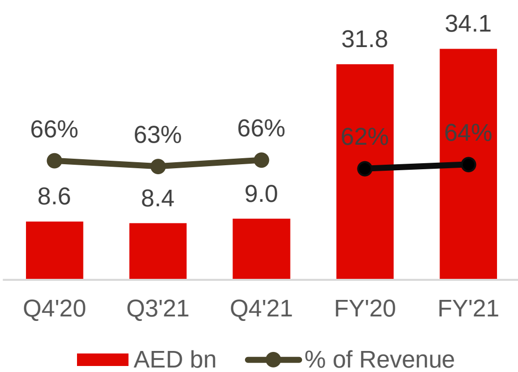
contribution in local currency from fixed segment (+7%), mobile (+4%) and Ubank services (+8%).

Operating Expenses



Consolidated operating expenses for the fourth quarter of 2021 was AED 9.0 billion, an increase of 5% compared to the same quarter of the previous year and an increase of 8% from the third quarter of 2021. The quarter on quarter increase is mainly supporting revenue growth and is attributed to higher direct cost of sales, higher depreciation and amortisation expenses, higher marketing costs and higher consultancy costs. For the full year, consolidated operating expenses increased by 7% to AED 34.1 billion mainly due to higher direct cost of sales and operating costs associated with higher revenues, changes in revenue mix and resumption of many operational activities.

Key components of Q4 2021 operating expenses are:

- **Direct cost of Sales** increased year over year by 2% to AED 3.3 billion in the fourth quarter of 2021 and increased by 4% to AED 12.9 billion for the full year. As a percentage of revenue, it decreased by 1 percentage point to 25% in the fourth quarter and remained stable at 24% for the full year. This increase is supporting revenue growth and is driven by changes in revenue mix.
- **Staff expenses** decreased by 5% to AED 1.2 billion for the fourth quarter of 2021 as compared to the same period of last year. For the full year 2021, staff expenses increased by 2% to AED 4.7 billion. As a percentage of revenue, staff costs decreased by 1 percentage point to 9% in the fourth quarter and remained stable 9% for the full year as compared to prior year.
- **Depreciation and Amortisation expenses** increased year over year by 2% to AED 2.2 billion in the fourth quarter of 2021, while increased by 4% to AED 8.2 billion for the full year. As a percentage of revenue, depreciation and amortisation expenses remained flat at 16% for the fourth quarter and 15% for the full year 2021.
- **Network costs** increased by 12% year over year to AED 0.7 billion in the fourth quarter of 2021 and increased by 9% to AED 2.8 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** increased year over year by 23% to AED 0.4 billion in the fourth quarter of 2021 and by 23% to AED 1.1 billion for the full year. This is attributed to higher commercial activities given economic recoveries across several markets. As a percentage of revenue, marketing expenses remained steady at 3% in the fourth quarter and 2% for the full year as compared to prior year.
- **Other operating expenses** increased by 23% year over year to AED 1.2 billion in the fourth quarter and increased by 25% to AED 4.4 billion for the full year. As a percentage of revenue, other operating expenses increased by 1 percentage point to 9% for the quarter and increased by 1 percentage point to 8% for the full year.

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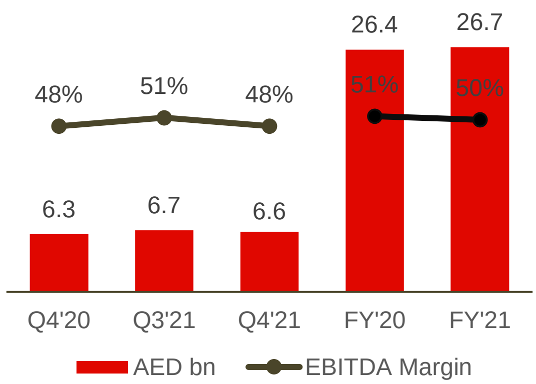
EBITDA



Group consolidated EBITDA for the fourth quarter of 2021 increased by 4.3% year on year and decreased by 2.5% quarter on quarter to AED 6.6 billion, resulting in EBITDA margin of 48%, stable compared to the prior year and 2 percentage points lower than the prior quarter impacted by changes in the revenue mix..

For the full year, EBITDA amounted to AED 26.7 billion, an increase of 1.0% year over year, while EBITDA margin decreased by 1 percentage point to 50%. The full year increase is attributed to higher revenue and continuous focus on cost optimization.

In the **UAE**, EBITDA in the fourth quarter of 2021 was AED 3.8 billion, representing a 4% increase year over year and leading to an EBITDA margin of 49%, 0.6 percentage point lower than the fourth quarter of the previous year mainly attributed to higher cost of sales due to higher commercial activities. Full year EBITDA in 2021 decreased by 2% to AED 15.5 billion resulting in an EBITDA margin of 51%, 1 percentage point lower than the prior year. The year over year decrease is attributed to higher cost of sales driven by changes in revenue mix.

EBITDA of **International** consolidated operations remained steady year over year at AED 2.6 billion in the fourth quarter, resulting in a 40% contribution to the group's consolidated EBITDA. For the full year, EBITDA increased by 4% to AED 10.8 billion resulting in EBITDA margin of 48%, 1 percentage point lower than the prior year. This growth is attributed mainly to the operations in Egypt and Pakistan.

Maroc Telecom's consolidated EBITDA for the fourth quarter of 2021 remained stable at AED 1.9 billion and resulted in an EBITDA margin of 55%, 1 percentage point higher than the prior year. In Moroccan Dirham, EBITDA in absolute terms also remained flat year over year. In Morocco, EBITDA was stable supported by cost optimisation efforts that offset the revenue decline. EBITDA from international operations increased year over year by 2% and was attributed to improvement in gross margin.

Full year EBITDA remained flat at AED 7.6 billion, resulting in an EBITDA margin of 55%, 1 percentage point lower than the prior year. In Moroccan Dirham, EBITDA decreased year over year by 5%. This is attributed to a decline in EBITBA in Morocco by 9% due to one off item related to resolution of dispute that was recognised last year. On a like-for-like basis, EBITDA declined by 3% due to lower revenue. This was partially offset by growth in the EBITDA from international operations that increased year over year by 3% and was attributed to better gross margin.

In **Egypt**, EBITDA in the fourth quarter increased year on year by 15% to AED 0.5 billion while EBITDA margin decreased by 2 percentage points to 36%. EBITDA growth is attributed to higher revenue. Quarter over quarter, EBITDA decreased by 18% and EBITDA margin by 10 percentage points. The quarter over quarter decline is mainly attributed to higher interconnection and roaming cots, higher cost of devices and higher marketing expenses. For the full year, EBITDA increased by 20% to AED 2.1 billion attributed to the improved revenue trend.

In **Pakistan,** EBITDA in the fourth quarter of 2021 decreased year on year by 11% and quarter over quarter by 4% to AED 0.2 billion with EBITDA margin decreasing year over year by 3 percentage points to 29%. EBITDA margin

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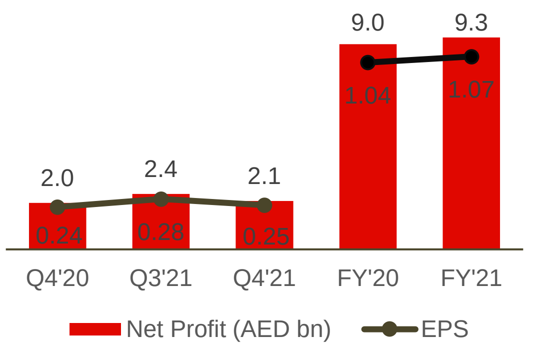
remained constant quarter over quarter. The decline in EBITDA is mainly due to higher interconnection cost, network and marketing expenses. For the full year 2021, EBITDA increased by 3% to AED 0.9 billion with EBITDA margin lower by 1 percentage point at 30%. The increase in EBITDA was attributable to higher revenue.

Net Profit & EPS



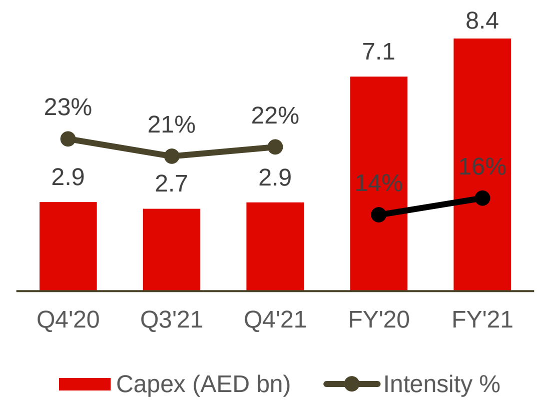
Consolidated net profit after federal royalty increased year over year by 4.3% to AED 2.1 billion in the fourth quarter of 2021 resulting in a steady profit margin of 16%. This increase is attributed to higher EBITDA, better contribution from associates, higher net finance and other income and lower taxation.

Full year net profit increased by 3.2% to AED 9.3 billion resulting in profit margin of 17%. This increase is attributed to higher EBITDA, better performance of associates, higher net finance and other income, lower asset impairment and royalty.

Earnings per share (EPS) amounted to AED 0.25 in the fourth quarter and AED 1.07 for the full year of 2021.

On 24 February 2022, the Board of Directors has resolved to propose a final dividend for the second half of 2021 at the rate of 40 fils per share, bringing the full year dividend to 80 fils per share. This proposal is subject to shareholders' approval at the Annual General Meeting scheduled on 5 April 2022. Final dividend to be paid to the shareholders registered as at the closing of the share register on Friday, 15 April 2022.

Capex



Consolidated capital expenditure remained stable year over year at AED 2.9 billion in the fourth quarter of 2021 resulting in a capital intensity ratio of 22%, 1 percentage point lower than the same period of the prior year. Full year capital expenditure increased by 18% to AED 8.4 billion, resulting in capital intensity ratio of 16%, 2 percentage points higher than the prior year. Excluding the spectrum and license acquisitions costs in Pakistan, Egypt and Mauritania, capital expenditure increased by 8% year on year and capital intensity ratio by 1 percentage point to 13%. Capital spending was driven by spectrum costs in Pakistan and Egypt, ongoing network modernization in several markets, including 5G roll-out in UAE, fibre investments in Morocco and Pakistan and networks coverage and expansion in Egypt and international subsidiaries of Maroc Telecom.

In the **UAE,** capital expenditure during the quarter amounted to AED 1.0 billion, an 8% decrease in comparison to the same period last year. Capital intensity ratio was 13%, representing 2 percentage points lower than the same quarter of

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the prior year and 6 percentage points higher than the third quarter of 2021.

Full year capital expenditure amounted to AED 2.6 billion, a 23% decrease from the prior year. Capital intensity ratio was 9%, 3 percentage points lower than 2020. Full year capex focused on network modernization, 5G network rollout, and capacity enhancement to support the increase in data traffic while 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 2021 increased by 3% to AED 1.9 billion compared to the same period last year and decreased by 14% compared to the previous quarter. International operations represented 64% of the group's total capital expenditure. Full year capital expenditures in consolidated international operations amounted to AED 5.6 billion, a 56% increase compared to the prior year with a capital intensity ratio of 25%, 8 percentage points higher than the prior year.

In **Maroc Telecom**, capital expenditure for the fourth quarter increased by 35% year over year and 21% quarter over quarter to AED 0.8 billion, resulting in a capital intensity ratio of 23%. Full year capital expenditure increased by 69% to AED 2.3 billion resulting in a capital intensity ratio of 16%, which was 6 percentage points higher than last year. Capex spend in Morocco increased year over year by 79% and was focused on the fibre-to-the-home network, enhancing capacity and 4G coverage expansion. On the international front, capex spend also increased year over year by 51% with spend focusing on networks expansion and upgrades to support the growth in traffic and customer base and FTTH networks.

In **Egypt,** capital expenditure for the fourth quarter decreased by 24% year over year to AED 0.7 billion resulting in a capital intensity ratio of 49%, 30 percentage points lower than the same period of the prior year. Capex included spectrum cost of AED 0.3 billion in the fourth quarter of this year as compared AED 0.6 billion spectrum cost in the fourth quarter of the previous year. Full year capital expenditure amounted to AED 1.4 billion, a 5% decrease year over year and a capital intensity ratio of 27%, 7 percentage points lower than the prior year. Capital spending focused on 4G deployment and upgrading of network capacity and spectrum costs.

In **Pakistan**, capital expenditure for the fourth quarter increased by 30% year over year to AED 0.4 billion resulting in a capital intensity ratio of 55%, 14 percentage points higher than the prior year. Full year capital spending increased by 168% to AED 1.9 billion resulting in a capital intensity ratio of 62%, 38 percentage points higher than the prior year. This increase is attributed to the nine megahertz in the 1,800 megahertz band that Ufone won at base price of $279 million in the third quarter of 2021. Excluding this spectrum acquisition cost, capital expenditure increased by 27% year over year and capital intensity ratio increased by 5 percentage points. Capital spending focused on fibre roll-out and enhancement of the fixed network's capacity.

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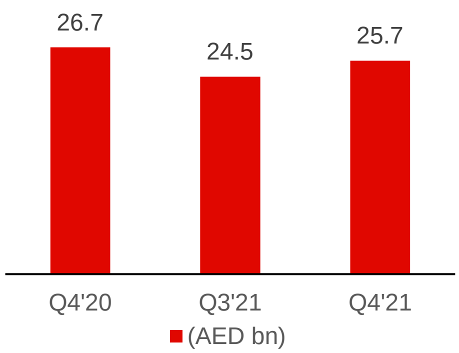
Debt



Total consolidated debt amounted AED 25.7 billion as of 31 December 2021, as compared to AED 26.7 billion as at 31 December 2020; a decrease of AED 1.0 billion.

Consolidated debt breakdown by operations as of 31 December 2021 is as following:

- e& (AED 16.1 billion)
- Maroc Telecom Group (AED 5.9 billion)
- PTCL Group (AED 2.2 billion)
- Etisalat Misr (AED 1.5 billion)

Around 75% of the debt balance is of long-term maturity that is due beyond 2022.

Currency mix for external borrowings is 35% in Euros, 23% in US Dollars, 14% in MAD and 28% in various currencies.

Consolidated cash balance amounted to AED 28.6 billion as of 31 December 2021 leading to a net cash position of AED 2.8 billion.

Performance Against Guidance FY2021

Management delivered ahead of full year 2021 guidance in all financial indicators reflecting the consistency of the performance and strong financial results.

Financial KPI	Revised Guidance FY2021	Actual FY2021
Revenue Growth%	**+2.0% to +3.0%**	**+3.2**
EBITDA Margin%	**~ 50.0%**	**~ 50.1%**
EPS (AED)	**~ 1.05**	**1.07**
Capex/ Revenue %	**15.5% - 16.5%**	**15.7%**

Guidance FY2022

Management guidance for FY 2022:

Financial KPI	Actual FY2021	Guidance FY2022
Revenue Growth%	**+3.2**	**Low single digit growth**
EBITDA Margin%	**~ 50.1%**	**~ 49%**
EPS (AED)	**1.07**	**~ 1.08**
Capex/ Revenue %	**15.7%**	**16.5% - 17.5%**

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Profit & Loss Summary

(AED m)	Q4'20	Q3'21	Q4'21	*QoQ*	*YoY*	FY'20	FY'21	*YoY*
Revenue	13,064	13,294	13,613	+2.4%	+4.2%	51,708	53,342	+3.2%
EBITDA	6,301	6,741	6,573	-2.5%	+4.3%	26,443	26,721	+1.0%
EBITDA Margin	48.2%	50.7%	48.3%	-2.4pp	+0.1pp	51.1%	50.1%	-1.0pp
Federal Royalty	(1,155)	(1,435)	(1,304)	-9.2%	+12.9%	(5,594)	(5,542)	-0.9%
Net Profit	2,048	2,436	2,136	-12.3%	+4.3%	9,027	9,317	+3.2%
Net Profit Margin	16%	18%	16%	-2.6pp	0.0pp	17%	17%	0.0pp

Balance Sheet Summary

(AED m)	December 2020	December 2021
Cash & Bank Balances	31,345	28,575
Total Assets	133,018	128,197
Total Debt	26,701	25,732
Net Cash / (Debt)	4,644	2,843
Total Equity	60,550	57,564

Cash Flow Summary

(AED m)	FY' 2020	FY' 2021
Operating	18,968	18, 110
Investing	(7,129)	(8,775)
Financing	(9,443)	(13,086)
Net change in cash	2,396	(3,751)
Effect of FX rate changes	(684)	1,039
Reclassified as held for sales	(23)	(58)
Ending cash balance	31,345	28,575

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	Average Rates			Closing Rates		
Foreign Exchange Rates	**Q4'20**	**Q4'21**	**YOY**	**Q4'20**	**Q4'21**	**YOY**
EGP - Egyptian Pound	0.2339	0.2335	*-0.17%*	0.2335	0.2338	*0.13%*
SAR - Saudi Riyal	0.9791	0.9789	*-0.02%*	0.9789	0.9782	*-0.07%*
CFA - Central African Franc	0.0067	0.0064	*-3.39%*	0.0069	0.0064	*-7.63%*
PKR - Pakistani Rupee	0.0228	0.0212	*-7.10%*	0.0229	0.0208	*-8.98%*
AFA - Afghanistan Afghani	0.0475	0.0392	*-17.56%*	0.0471	0.0351	*-25.36%*
MAD - Moroccan Dirham	0.4027	0.4012	*-0.36%*	0.4136	0.3960	*-4.25%*

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)	Q4'20	Q3'21	Q4'21	FY'20	FY'21
EBITDA	6,301	6,741	6,573	26,443	26,721
Depreciation & Amortization	(2,144)	(1,999)	(2,186)	(7,900)	(8,195)
Exchange Gain/ (Loss)	94	(112)	(127)	165	(333)
Share of Associates and JV's results	60	78	89	197	297
Impairment and other losses	(297)	(0)	(148)	(297)	(148)
Operating Profit before Royalty	4,014	4,708	4,201	18,610	18,341

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Disclaimer

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Where this Presentation contains summaries of documents, those summaries should not be relied upon and the actual documentation must be referred to for its full effect.

This Presentation includes certain "forward-looking statements". Such forward looking statements are not guarantees of future performance and involve risks of uncertainties. Actual results may differ materially from these forward looking statements.

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 telecom and technology conglomerates 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: Etisalat)* is quoted on the Abu Dhabi Securities Exchange (ADX).

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