Emirates Telecommunications Group Company PJSC

Review reports and condensed consolidated interim financial information

for the three month period ended 31 March 2022

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Emirates Telecommunications Group Company PJSC

Management report on the condensed consolidated interim financial information for the three month period ended 31 March 2022

Financial Review

1. Revenue, profit and earnings per share

The Group's financial performance for the three month period ended 31 March 2022 is summarised below:

i) Consolidated revenue amounted to AED 13,331 million, representing an increase of AED 111 million (0.8 %) compared to the corresponding period in the prior year.

ii) Profit attributable to the Owners of the Company amounted to AED 2,434 million, representing an increase of AED 84 million (3.6 %) when compared to the corresponding period in the prior year.

iii) Earnings per share increased by AED 0.01 when compared to the corresponding period in the prior year."

2. Net assets

As compared to 31 December 2021, the Group's net assets increased by AED 893 million to AED 58,457 million as at 31 March 2022.

3. Capital expenditure

The Group incurred AED 1,644 million capital expenditure in the three month period ended 31 March 2022 (AED 1,078 million in the three month period ended 31 March 2021).

4. Dividends

On 5 April 2022, a final dividend for the year 2021 at the rate of AED 0.40 per share was approved for distribution to the shareholders registered at the close of business on 15 April 2022.

5. International operations

(i) On 16 March 2022 , the Group announced that it has approached its associate, Etihad Etisalat Co. ("Mobily"), to discuss increasing its shareholding in Mobily to 50% plus one share, by means of a preconditional partial tender offer (the "Potential Offer") pursuant to the Merger and Acquisition Regulations issued by the Saudi Arabian Capital Market Authority (the "M&A Regulations").

(ii) On 16 March 2022, Emirates Cable TV and Multimedia (E-Vision), a subsidiary of the Group , and ADQ, an Abu Dhabi based investment and holding company, signed a binding agreement to acquire circa 57% of STARZPLAY ARABIA, a leading Subscription Video on Demand (SVOD) and streaming service provider in the Middle East and North Africa. The consortium, of which E-Vision will own 66.7%, will acquire a controlling stake in STARZPLAY ARABIA based on a post-money valuation of USD 420 million via a combination of primary cash and in-kind contribution. E-Vision will pay up to USD 132 million including a component linked to an earn-out.

Completion of this transaction remains subject to regulatory approvals and certain administrative procedures.

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of the Emirates Telecommunications Group Company PJSC

Review of Condensed Consolidated Interim Financial Information

Introduction

We have reviewed the accompanying 31 March 2022 condensed consolidated interim financial information of Emirates Telecommunications Group Company PJSC ("the Company") and its subsidiaries (together referred to as "the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2022;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2022;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2022;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2022; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

KPMG Lower Gulf Limited

Richard Ackland
Registration No: 1015
Abu Dhabi, United Arab Emirates

Date: 25 April 2022

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of profit or loss for the period

		(Unaudited) Three months ended 31 March	
		2022	2021
	Note	AED'000	AED'000
Revenue	**4**	**13,331,210**	**13,219,734**
Operating expenses	5	(8,265,457)	(8,351,455)
Impairment loss on trade receivables and contract assets		(233,712)	(182,143)
Impairment loss on other assets - net		44	(266)
Share of results of associates and joint ventures	6	10,980	61,480
Operating profit before federal royalty		**4,843,065**	**4,747,350**
Federal royalty	5	(1,427,222)	(1,386,691)
Operating profit		**3,415,843**	**3,360,659**
Finance and other income		211,943	201,057
Finance and other costs		(484,608)	(373,832)
Profit before tax		**3,143,178**	**3,187,884**
Income tax expenses		(391,589)	(366,645)
Profit for the period		**2,751,589**	**2,821,239**
Profit attributable to:			
Owners of the Company		2,433,823	2,349,982
Non-controlling interests		317,766	471,257
		2,751,589	**2,821,239**
Earnings per share			
Basic and diluted	8	AED 0.28	AED 0.27

The accompanying notes on pages 9 to 22 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of profit or loss and other comprehensive income for the period

	Notes	(Unaudited) Three months ended 31 March 2022 AED'000	2021 AED'000
Profit for the period		**2,751,589**	**2,821,239**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation - net of tax		19,294	(29,891)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,901,698)	(283,862)
Gain on net investment hedge during the period	18	130,354	481,610
Fair value gain arising on cash flow hedges during the period		103,491	38,102
Gain / (loss) on revaluation of financial assets during the period		5,568	(6,491)
Total other comprehensive (loss) / income		**(1,642,991)**	**199,468**
Total comprehensive income for the period		**1,108,598**	**3,020,707**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		1,350,079	2,577,603
Non-controlling interests		(241,481)	443,104
		1,108,598	**3,020,707**

The accompanying notes on pages 9 to 22 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of financial position

	Notes	(Unaudited) 31 March 2022 AED'000	(Audited) 31 December 2021 AED'000
Non-current assets			
Goodwill and other intangible assets	9	24,447,863	25,830,041
Property, plant and equipment	10	42,120,269	43,715,088
Right-of-use assets	23	2,283,792	2,436,921
Investments in associates and joint ventures	6	5,100,353	4,452,409
Other investments	19	5,658,220	3,597,210
Other receivables	11	433,846	459,899
Finance lease receivables		113,380	123,448
Derivative financial instruments		97,780	5,171
Contract assets		509,980	460,317
Deferred tax assets		145,481	136,863
		80,910,964	**81,217,367**
Current assets			
Inventories		854,793	748,786
Trade and other receivables	11	15,536,148	14,288,386
Current income tax assets		574,555	725,836
Finance lease receivables		22,934	25,505
Due from related parties		93,041	82,026
Contract assets		1,534,210	1,389,614
Other investments		90,866	434,192
Cash and bank balances	12	29,183,968	28,575,372
Assets held for sale		719,171	709,982
		48,609,686	**46,979,699**
Total assets		**129,520,650**	**128,197,066**
Non-current liabilities			
Other payables	13	1,309,551	1,365,500
Borrowings	17	18,796,737	19,176,107
Payables related to investments and licenses		528,757	512,945
Deferred tax liabilities		1,952,745	2,155,977
Lease liabilities	24	2,051,247	2,109,273
Provisions		388,317	377,561
Provision for employees' end of service benefits	22	1,206,432	1,223,883
Contract liabilities		36,026	42,426
		26,269,812	**26,963,672**
Current liabilities			
Trade and other payables	13	30,556,266	28,701,904
Contract liabilities		3,067,390	3,016,756
Borrowings	17	5,447,322	6,556,178
Payables related to investments and licenses		361,704	111,272
Current income tax liabilities		370,179	312,264
Lease liabilities	24	454,856	544,777
Provisions		4,422,034	4,270,082
Provision for employees' end of service benefits	22	105,808	110,946
Derivative financial instruments	18	739	40,660
Due to related parties		7,054	4,733
		44,793,352	**43,669,572**
Total liabilities		**71,063,164**	**70,633,244**
Net assets		**58,457,486**	**57,563,822**
Equity			
Share capital	25	8,696,754	8,696,754
Reserves		27,494,285	28,598,188
Retained earnings		12,737,740	10,291,094
Equity attributable to the owners of the Company		**48,928,779**	**47,586,036**
Non-controlling interests		9,528,707	9,977,786
Total equity		**58,457,486**	**57,563,822**

To the best of our knowledge, the financial information included in this condensed consolidated interim financial information presents fairly, in all material respects, the financial position, results of operations and cash flows of the Group as of, and for, the periods presented therein.

The accompanying notes on pages 9 to 22 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the three month period ended 31 March 2022 (Unaudited)

		Attributable to owners of the Company					
		Share capital	Reserves	Retained earnings	Owners' equity	Non-controlling interests	Total equity
	Notes	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2021		**8,696,754**	**28,400,580**	**11,936,605**	**49,033,939**	**11,516,082**	**60,550,021**
Profit for the period		-	-	2,349,982	2,349,982	471,257	2,821,239
Other comprehensive (loss) / income for the period		-	237,994	(10,373)	227,621	(28,153)	199,468
Other movements in equity		-	(283)	7,460	7,177	(1,107)	6,070
Transactions with owners of the Company:							
Dividends	7	-	-	(6,954,396)	(6,954,396)	(183,485)	(7,137,881)
Balance at 31 March 2021		**8,696,754**	**28,638,291**	**7,329,278**	**44,664,323**	**11,774,594**	**56,438,917**
Balance at 1 January 2022		**8,696,754**	**28,598,188**	**10,291,094**	**47,586,036**	**9,977,786**	**57,563,822**
Profit for the period		-	-	2,433,823	2,433,823	317,766	2,751,589
Other comprehensive (loss) / income for the period		-	(1,103,038)	19,294	(1,083,744)	(559,247)	(1,642,991)
Other movements in equity		-	(865)	(6,471)	(7,336)	(17,964)	(25,300)
Transactions with owners of the Company:							
Dividends	7	-	-	-	-	(189,634)	(189,634)
Balance at 31 March 2022		**8,696,754**	**27,494,285**	**12,737,740**	**48,928,779**	**9,528,707**	**58,457,486**

The accompanying notes on pages 9 to 22 form an integral part of the condensed consolidated interim financial information.
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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of cash flows for the period

	Notes	Unaudited three months ended 31 March 2022 AED'000	2021 AED'000
Cash flows from operating activities			
Operating profit		**3,415,843**	**3,360,659**
Adjustments for:			
Depreciation		1,520,684	1,581,489
Amortisation		452,998	428,317
Impairment and other losses		(44)	266
Share of results of associates and joint ventures		(10,980)	(61,480)
Provisions and allowances		139,160	74,082
Unrealised currency translation gain		41,201	(548,069)
Operating cash flows before changes in working capital		**5,558,862**	**4,835,264**
Changes in working capital:			
Inventories		(123,007)	(115,131)
Due from associates and joint ventures		(11,015)	(128,078)
Trade and other receivables including contract assets		(1,861,979)	(499,185)
Trade and other payables including contract liabilities		2,864,334	249,578
Cash generated from operations		**6,427,195**	**4,342,448**
Income taxes paid		(304,634)	(401,376)
Payment of end of service benefits		(22,334)	(16,422)
Net cash generated from operating activities		**6,100,227**	**3,924,650**
Cash flows from investing activities			
Acquisition of a subsidiary (net of cash)	26	(30,249)	-
Investment in an associate		(638,889)	-
Acquisition of investment classified as fair value through OCI		(2,098,079)	-
Acquisition of investment classified as fair value through profit or loss		(1,909)	(2,041)
Proceeds from disposal of investment classified as fair value through profit or loss		300,590	1,223
Acquisition of other investments		(16,058)	(8,392)
Acquisition of investments at amortised cost		(92,018)	(247,817)
Disposal of investments at amortised cost		129,128	401
Purchase of property, plant and equipment		(1,151,650)	(915,217)
Proceeds from disposal of property, plant and equipment		8,109	376,527
Purchase of intangible assets		(492,627)	(163,276)
Proceeds from disposal of intangible assets		-	679
Dividend income received from associates and other investments		27,933	23,672
Term deposits made with maturities over three months	12	(1,856,981)	(2,106,511)
Term deposits matured with maturities over three months	12	6,520,325	10,287,227
Cash flows from unwinding of derivative financial instruments		(12,698)	(5,796)
Finance and other income received		193,754	210,671
Net cash generated from investing activities		**788,681**	**7,451,350**
Cash flows from financing activities			
Proceeds from borrowings		1,319,649	739,660
Repayments of borrowings		(2,169,669)	(1,493,747)
Payment of lease liabilities		(169,874)	(223,944)
Dividends paid		-	(4,836)
Finance and other costs paid		(459,269)	(238,785)
Net cash (used in) financing activities		**(1,479,163)**	**(1,221,652)**
Net increase in cash and cash equivalents		**5,409,744**	**10,154,348**
Cash and cash equivalents at the beginning of the period		19,911,520	13,205,530
Effect of exchange rate fluctuations on cash held		(106,825)	184,183
Cash and cash equivalents at the end of the period	12	**25,214,440**	**23,544,061**

The accompanying notes on pages 9 to 22 form an integral part of the condensed consolidated interim financial information.
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1. General information

Emirates Telecommunications Group Company PJSC (''the Company''), formerly known as Emirates Telecommunications Corporation ("the Corporation") was incorporated in the United Arab Emirates ("UAE"), with limited liability, in 1976 by UAE Federal Government decree No. 78, which was revised by the UAE Federal Act No. (1) of 1991 (Etisalat Law) and further amended by Decretal Federal Code No. 3 of 2003 concerning the regulation of the telecommunications sector in the UAE. In accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Corporation to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government.

The Federal-Decree Law No. 3 of 2015 ("the New Law") has amended certain provisions of Etisalat Law and new articles of association of Emirates Telecommunications Group Company PJSC (the "New AoA") have been issued. Subsequent to the New Law and the New AoA, Emirates Telecommunications Corporation has been converted from a corporation to a public joint stock company and is subject to the provisions of UAE Federal Law no. 2 of 2015 on Commercial Companies (the "Companies Law") unless otherwise stated in the Etisalat Law or New AoA. Accordingly, the name of the corporation has been changed to Emirates Telecommunications Group Company PJSC. Etisalat Law was further amended by Federal Decree -Law No. 1 of 2021, which increased the Non-UAE nationals ownership cap from 20% to 49% of the Company share capital

Federal Decree - Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021 with one-year grace period for the existing companies which are subject to its provisions to adjust their status. The Group held a General Assembly meeting on 8th December 2021, which approved all the necessary amendments to the Articles of Association to be aligned with Federal-Decree Law No. 26 of 2020.

Under the New Law and the New AoA: i) Two types of share have been introduced, i.e. ordinary shares and one Special Share held by the Emirates Investment Authority ("the Special Shareholder") which carries certain preferential rights related to the passing of certain decisions by the Company. ii) The minimum number of ordinary shares held by any UAE government entity in the Company has been reduced from at least 60% of the Company's share capital to not less than 51%, unless the Special Shareholder decides otherwise. iii) Shareholders, natural or legal person, who are Non-UAE National may own up to 20% of the Company's ordinary shares, however, the shares owned by such persons / entities shall not hold any voting rights in the Company's general assembly, although holders of such shares may attend such meeting. On 11 October 2018, the Board of Directors of the Group approved by circulation to lift the restrictions on voting rights of foreign shareholders so that they shall enjoy the same voting rights of UAE citizens. Accordingly, a special resolution was passed during the Annual General Meeting held on 20 March 2019 to that effect, all required approvals were obtained and all necessary amendments were incorporated in the New AoA to put the afore-said resolution in place. The Group's Board of Directors, in its meeting on 20 January 2021, recommended to increase the foreign ownership limit from 20% to 49% of the Company's share capital subject to the approval of the Group's General Assembly scheduled on 17 March 2021 and the approval of the competent authorities. On 29 August 2021, the Group secured the required approvals for increasing the foreign ownership limit in its share capital to 49% and accordingly, the new foreign ownership limits have come into effect.

The address of the registered office of the Company is P.O. Box 3838, Abu Dhabi, United Arab Emirates. The Company's shares are listed on the Abu Dhabi Securities Exchange.

This condensed consolidated interim financial information as at and for the three months ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as 'the Group').

This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 25 April 2022.

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2. Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable requirements of the UAE Federal Law No. 2 of 2015 (as amended). The information presented herein should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021. This condensed consolidated interim financial information does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Actual results may differ from these estimates and judgments. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

This condensed consolidated interim financial information is prepared under the historical cost convention except for the revaluation of certain financial instruments and in accordance with the Group's accounting policies as described in the last annual financial statements as at and for the year ended 31 December 2021.

The accounting policies applied in the condensed consolidated financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021.

The condensed consolidated interim financial information is presented in UAE Dirhams (AED) which is the Company's functional and presentation currency, rounded to the nearest thousand except where otherwise indicated.

3. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended 31 December 2021.

a) New and amended standards adopted by the Group

The following revised new and amended standards have been adopted in the condensed consolidated interim financial information.

- COVID-19-Related Rent Concessions beyond 30 June 2021 *(Amendment to IFRS 16)*
- Onerous Contracts – Cost of Fulfilling a Contract *(Amendments to IAS 37)*
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use *(Amendments to IAS 16)*
- Reference to the Conceptual Framework *(Amendments to IFRS 3)*

There has been no material impact on the condensed consolidated interim financial information of the Group upon adoption of the above new and amended standards.

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3. Significant accounting policies *(continued)*

b) New and amended standards not effective and not yet adopted by the Group

At the date of the condensed consolidated interim financial information, the following other standards, amendments and Interpretations have not been effective and have not been early adopted by the Group:

New and amended standards not effective and not yet adopted by the Group	Effective date
IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 17	1 January 2023
Classification of liabilities as current or non-current *(Amendments to IAS 1)*	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction *(Amendments to IAS 12)*	1 January 2023
Disclosure of Accounting Policies *(Amendments to IAS 1 and IFRS Practice Statement 2)*	1 January 2023
Definition of Accounting Estimate *(Amendments to IAS 8)*	1 January 2023

These new and amended standards are not expected to have a significant impact on the Group's condensed consolidated interim financial information.

4. Segmental information

Information regarding the Group’s operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group’s chief operating decision maker and used to allocate resources to the segments and to assess their performance.

a) Products and services from which reportable segments derive their revenues

The Group is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group’s revenues, profits and assets relate to its operations in the UAE. Outside of the UAE, the Group operates through its subsidiaries and associates in sixteen countries which are divided into the following operating segments:

- Morocco
- Egypt
- Pakistan
- International - others

Revenue is attributed to an operating segment based on the location of the associated companies reporting the revenue. Inter-segment sales are charged at agreed terms and prices.

The Group’s share of results from associates and joint ventures has been allocated to the segments based on the geographical location of the operations of the associate and joint venture investments. The allocation is in line with how results from investments in associates and joint ventures are reported to the Group’s Board of Directors (“Board of Directors”).

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4. Segmental information *(continued)*

b) Segment revenues and results

Segment results represent operating profit earned by each segment without allocation of finance income, finance costs and federal royalty. This is the measure reported to the Board of Directors for the purposes of resource allocation and assessment of segment performance.

c) Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total and non-current assets attributable to each segment. Goodwill is allocated based on separately identifiable Cash Generating Units. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

The segment information has been provided on the following page.

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4. Segmental information *(continued)*

		International					
	UAE	Morocco	Egypt	Pakistan	Others	Eliminations	Consolidated
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Three months ended 31 March 2022							
Revenue							
External revenue	8,016,749	1,675,397	1,286,652	694,568	1,657,844	-	13,331,210
Inter-segment revenue	60,508	117,144	11,262	29,235	22,282	(240,431)	-
Total revenue	**8,077,257**	**1,792,541**	**1,297,914**	**723,803**	**1,680,126**	**(240,431)**	**13,331,210**
Segment result	**3,492,391**	**583,637**	**290,044**	**(45,253)**	**522,246**	**-**	**4,843,065**
Federal royalty							(1,427,222)
Finance and other income							211,943
Finance and other costs							(484,608)
Profit before tax							**3,143,178**
Income tax expenses							(391,589)
Profit for the period							**2,751,589**
Total assets at 31 March 2022	72,213,787	29,309,639	10,236,806	12,249,833	18,431,256	(12,920,671)	**129,520,650**
Three months ended 31 March 2021							
Revenue							
External revenue	7,737,875	1,820,875	1,124,747	769,543	1,766,694	-	13,219,734
Inter-segment revenue	63,796	128,437	5,797	19,412	23,744	(241,186)	-
Total revenue	**7,801,671**	**1,949,312**	**1,130,544**	**788,955**	**1,790,438**	**(241,186)**	**13,219,734**
Segment result	**3,415,137**	**617,974**	**255,168**	**26,448**	**432,623**	**-**	**4,747,350**
Federal royalty							(1,386,691)
Finance and other income							201,057
Finance and other costs							(373,832)
Profit before tax							**3,187,884**
Taxation							(366,645)
Profit for the period							**2,821,239**
Total assets at 31 December 2021	68,087,168	30,625,852	11,008,944	12,606,834	17,767,603	(11,899,335)	128,197,066

Breakdown of external revenue;							
The following is an analysis of the Group's external revenue							
Three months ended 31 March 2022							
Mobile	2,840,906	880,088	1,053,029	228,031	1,532,289	-	6,534,343
Fixed	2,791,630	670,198	89,454	337,289	113,960	-	4,002,531
Equipment	451,310	63,165	24,992	3,718	3,635	-	546,820
Others	1,932,903	61,946	119,177	125,530	7,960	-	2,247,516
Total	**8,016,749**	**1,675,397**	**1,286,652**	**694,568**	**1,657,844**	**-**	**13,331,210**
Three months ended 31 March 2021							
Mobile	2,637,589	994,652	921,809	272,120	1,624,408	-	6,450,578
Fixed	2,783,016	704,907	68,120	367,831	122,952	-	4,046,826
Equipment	526,514	53,415	19,279	3,976	3,981	-	607,165
Others	1,790,756	67,901	115,539	125,616	15,353	-	2,115,165
Total	**7,737,875**	**1,820,875**	**1,124,747**	**769,543**	**1,766,694**	**-**	**13,219,734**

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5. Operating expenses and federal royalty

a) Operating expenses

	Note	Three months ended 31 March 2022 AED'000	2021 AED'000
Direct cost of sales		3,237,356	3,168,768
Staff costs		1,138,249	1,205,861
Depreciation		1,520,684	1,581,489
Network and other related costs		736,613	686,857
Amortisation		452,998	428,317
Regulatory expenses	(i)	389,867	400,786
Marketing expenses		237,686	224,927
Consultancy cost		155,951	148,140
Operating lease rentals		11,307	9,887
IT costs		104,263	91,772
Foreign exchange (income) / loss		(4,845)	69,505
Other operating expenses		285,328	335,146
Operating expenses (before federal royalty)		**8,265,457**	**8,351,455**

i) Regulatory expenses:
Regulatory expenses include ICT fund contributions required to be paid by the Company to the UAE Telecommunications Regulatory Authority (TRA) at 1% of its net regulated revenue annually.

b) Federal royalty

In accordance with the Cabinet decision No. 558/1 for the year 1991, the Company was required to pay a federal royalty, equivalent to 40% of its annual net profit before such federal royalty, to the UAE Government for use of federal facilities. With effect from 1 June 1998, Cabinet decision No. 325/28M for 1998, it was increased to 50%.

On 9 December 2012, the Cabinet of Ministers of UAE issued decision no. 320/15/23 of 2012 in respect of a new royalty mechanism applicable to the Company. Under this mechanism a distinction was made between revenue earned from services regulated by Telecommunications Regulatory Authority ("TRA") and non-regulated services as well as between foreign and local profits. The Company was required to pay 15% royalty fee on the UAE regulated revenues and 35% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues. In respect of foreign profit, the 35% royalty was reduced by the amount that the foreign profit has already been subject to foreign taxes.

On 25 February 2015, the MoF issued revised guidelines (which were received by the Company on 1 March 2015) for the computation of federal royalty for the financial years ended 31 December 2014, 2015 and 2016 (the "Guidelines"). In accordance with the Guidelines, the royalty rate for 2016 was reduced to 30% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues.

On 20 February 2017, the MoF announced the federal royalty scheme to be applied on the Group for the periods 2017 to 2021 ("the new royalty scheme"). According to the new royalty scheme, the Group will pay 15% royalty fees on the UAE regulated revenue and 30% royalty fees on profit generated from regulated services after deduction of the 15% royalty fees on the UAE regulated revenue. Royalty fees on profits from international operations shall be considered only if similar fees paid in the country of origin are less than the fees that could have been imposed in the UAE. Consequent to the issuance of the new royalty scheme, clarifications were obtained and correspondences were exchanged between the Group and MoF (the "Correspondence").

On 03 January 2022, the MoF issued new guidelines for the computation of federal royalty for the financial years 2022 to 2024 (the "new guidelines") with no changes to the guidelines issued previously in February 2017. Accordingly, there will be no change in the rates for payment of federal royalty by the Group in the financial years 2022 to 2024.

The mechanism for the computation of federal royalty payable for the period ended 31 March 2022 was in accordance with the new guidelines and the Correspondence.

The federal royalty has been classified as an operating expense in the consolidated interim statement of profit or loss on the basis that the expenses the Company would otherwise have had to incur for the use of the federal facilities would have been classified as operating expenses.

6. Share of results of associates and joint ventures

a) In 2019, the 15 % stake in Hutch has been classified as investment in associate on account of the significant influence Etisalat Group has over the financial and operational decisions making through its voting rights in Board meetings of Hutch.

b) On 9 December 2021 (the effective date), the Group has successfully completed the acquisition of Dubai Islamic Bank's stake in Digital Financial Services LLC (DFS) of 50.01%, increasing the Groups' ownership in DFS to 100% from 49.99%. DFS has been fully consolidated in the Group's financial statements since the effective date and equity method has been discontinued for previously held 49.99% interest in DFS from the same date.

c) On 11 February 2022, the Group signed an agreement with ADQ, Alpha Dhabi Holding and First Abu Dhabi Bank (FAB) to launch a new digital banking platform, **"Wio"** that received inprinciple approval from the Central Bank of UAE.

Etisalat Group has contributed AED 639 million for exchange of a stake of 25%. The investment has been accounted for in this condensed consolidated financial information under equity method of accounting.

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7. Dividends

Amounts recognised as distribution to equity holders:	AED'000
Three months ended 31 March 2021	
Final dividend for the year ended 31 December 2020 of AED 0.40 per share	3,477,198
One-time special dividend for the year ended 31 December 2020 of AED 0.40 per share	3,477,198
	6,954,396

8. Earnings per share

	Three months ended 31 March	
	2022	**2021**
Earnings (AED'000)		
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	**2,433,823**	2,349,982
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**8,696,754**	8,696,754
Earnings per share		
Basic and diluted	**AED 0.28**	AED 0.27

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share equals to basic earnings per share.

9. Goodwill and other intangible assets

The movement in the Goodwill and other intangible assets is provided below:

	31 March 2022 AED'000	31 December 2021 AED'000
Opening balance	**25,830,041**	**26,276,442**
Additions	492,627	1,918,098
Transfers from property, plant and equipment	-	596,810
Acquisition of a subsidiary	34,597	140,428
Disposals	111	(2,332)
Amortisation and impairment losses	(455,697)	(1,934,095)
Exchange difference	(1,453,816)	(1,165,310)
Closing balance	**24,447,863**	**25,830,041**

10. Property, plant and equipment

		31 March 2022 AED'000	31 December 2021 AED'000
Opening balance		**43,715,088**	**45,803,436**
Additions		1,151,650	6,446,212
Transfer to intangible assets		-	(596,810)
Reclassified as held for sale		-	(654,940)
Disposals		(2,039)	(42,827)
Depreciation		(1,375,722)	(5,792,016)
Impairment (reversals) / charge - net		44	(68,316)
Acquisition of a subsidiary	26	193	10,124
Exchange difference		(1,368,945)	(1,390,549)
Other movements		-	774
Closing balance		**42,120,269**	**43,715,088**

11. Trade and other receivables

	31 March 2022 AED'000	31 December 2021 AED'000
Amount receivable for services rendered	10,992,650	10,878,178
Amounts due from other telecommunication operators/carriers	2,908,628	2,561,479
Total gross carrying amount	**13,901,278**	**13,439,657**
Lifetime expected credit loss	(3,509,390)	(3,373,088)
Net trade receivables	**10,391,888**	**10,066,569**
Prepayments	999,538	627,835
Accrued income	680,678	835,020
Advances to suppliers	1,020,130	949,028
Indirect taxes receivable	359,320	387,181
Other receivables	2,518,440	1,882,652
Net trade and other receivables	**15,969,994**	**14,748,285**
Total trade and other receivables	**15,969,994**	**14,748,285**
of which current trade and other receivables	15,536,148	14,288,386
of which non-current other receivables	433,846	459,899

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12. Cash and cash equivalents

	31 March 2022 AED'000	31 December 2021 AED'000
Maintained in UAE	24,460,196	23,544,580
Maintained overseas, unrestricted in use	4,661,806	4,958,828
Maintained overseas, restricted in use	61,966	71,964
Cash and bank balances	**29,183,968**	**28,575,372**
Less: Deposits with maturities exceeding three months from the date of deposit	(3,969,528)	(8,663,852)
Cash and cash equivalents	**25,214,440**	**19,911,520**

Cash and cash equivalents comprise cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are denominated primarily in UAE Dirham, with financial institutions and banks. Interest is earned on these investments at prevailing market rates. The carrying amount of these assets approximates to their fair value.

13. Trade and other payables

	31 March 2022 AED'000	31 December 2021 AED'000
Current		
Federal royalty	6,968,714	5,541,492
Trade payables	7,682,670	7,150,225
Amounts due to other telecommunication operators/carriers	2,975,370	3,045,623
Accruals	7,815,278	8,110,678
Other taxes payable	1,924,048	1,876,610
Advances from customers	348,135	355,462
Deferred income	332,860	304,418
Other payables and accruals	2,509,191	2,317,396
	30,556,266	**28,701,904**
Non-current		
Other payables	1,309,551	1,365,500
	1,309,551	**1,365,500**

14. Contingent liabilities

(i) The Group and its associates are disputing certain charges from the governmental and telecom regulatory agencies and telecom operators in certain International jurisdictions but do not expect any material adverse effect on the Group's financial position and results from resolution of these disputes.

ii) In 2010, Pakistan Telecommunication Employees Trust (“PTET”) board approved the pension increase which was less than the increase notified by the Government of Pakistan (“GoP”). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on 12 June 2015 the Apex Court decided the case in the interest of pensioners.

On 13 July 2015, Review Petitions were filed in Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the "Review Petitioners") against the Supreme Court Judgment.

The Supreme Court disposed the Review Petitions and directed the Review Petitioners to seek remedy under section 12(2) of the Civil Procedure Code (the “CPC”), and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts.

The decision of the Appeals bench of the Supreme Court on 10 May 2018 clarified that voluntary separation scheme ("VSS") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. Notwithstanding this development, many retirees, including VSS pensioners, have continued to submit petitions before the Supreme Court. The Chief Justice of Pakistan has decided to bring the matter back for a rehearing by the Supreme Court.

Separately, the Islamabad High Court (IHC) issued a decision on 3 March 2020, in which it upheld the rights of certain retirees (“T&T retirees”) to benefit from periodic government increases in pensions and additional benefits, although it also held that the same did not apply to the VSS pensioners.

In response, PTCL and PTET raised an Intra Court Appeal against the exemption granted to the T&T retirees before the Divisional Bench at the Islamabad High Court. On 24 September 2020, the Intra Court appeals were adjourned for consolidation of all Intra court Intra Court appeals before one bench. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET and postponed the case until 14 July 2021.

Islamabad High Court on 2nd November, 2021, has decided that the GOP increases are not allowed to VSS optees, PTC pensioners and to the workmen. To the extent of Civil Servants the Islamabad High Court allowed the GOP increase. However, to the same extent appeal has been filed before Apex court within the limitation.

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14. Contingent liabilities *(continued)*

The management of PTCL, on the advice of their lawyers, believes that PTCL's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunications (Re-Organization) Act, 1996 and the Pension Trust rules of 2012 and accordingly, no provision has been recognized in these consolidated financial statements in respect of these proceedings.

iii) Pursuant to the restatement of Etihad Etisalat Company (Mobily) of its 2014 Financial statement, aggrieved shareholders have submitted 93 claims totaling SAR 1.9billion (US$500 million) against the 2013/2014 members of the Mobily Board (the "Defendants") and Mobily executives (the "Executives"), and these have been filed with the CRSD.
Some of the named Defendants were nominated, by Etisalat to the 2013/14 Mobily Board. Pursuant to such nomination, these individuals are entitled to be indemnified by Etisalat for any loss or damages due to third parties made against them.
The first substantial decision in relation to such claims was issued by the CRSD in November 2020, and subsequently upheld at the Appellate level (ACRSD) in a final and binding decision issued in late December 2020. The decision exonerated the Defendants and found former members of the Mobily executives liable to compensate shareholders for violating article 49a of the Capital Market Law.
This ruling has been reflected in further shareholder cases being dismissed and the CRSD finding that the former members of the board were not liable for any losses claimed by the shareholders.

Latest developments:
- 48 shareholders claims have been dismissed (final decisions) by the CRSD/ACRSD during 2021 for a total value of SAR 1.37 billion (US$ 366.5 million)
- There are still 11 claims pending decision before the CRSD (no decision yet) for a total value of SAR 210 million (US$ 56 million)
- There is 1 claim pending appeal before ACRSD
- Some 33 shareholders have joined the class action claim for a total value of SAR 321 million (approx. value US$ 85.5 million) and accordingly their individual claims were suspended for the requisite period and have now lapsed.

In separate proceedings, the CRSD confirmed on 28 December 2020, the launch of a class action claim against both (i) former members of the Mobily Board who were previously named as defendants in the May 2018 ACRSD final (1462) decision and (ii) former members of the Mobily executives who were named as defendants in the October 2020 ACRSD final (1997) decision. Claimants who purchased shares in Mobily after the release of its financial statement for Q2, 2013 and held onto such shares until 29 October 2014 are eligible to join in the class action claim.
The window for submitting claims and joining in this class action claim closed on 4 June 2021.

(iv) On 16 December 2021, Maroc Telecom received a notice from the Commercial Court of Rabat regarding a complaint filed by Wana on unbundling and claiming MAD 6,845 million. The case is ongoing and two hearings have taken place, on 27 December 2021 and 7 February 2022.

(v) Under the REMACOTEM dispute (association of consumers of mobile networks in Mali), the Civil Court had dismissed the plaintiff in 2013, for the alleged damages suffered.

On 3 November 2021, the Bamako Court of Appeal set the total amount of damages claimed by REMACOTEM from 2011 to 2020 at MAD 2,823 million, including MAD 933 million for Sotelma, a subsidiary 51% owned by Maroc Telecom. Sotelma replied through its lawyers and a hearing was requested to annul the said judgment as well as its execution.

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15. Capital Commitments

The Group has approved future capital projects and investment commitments to the extent of AED 4,958 million (2021: AED 4,755 million). The Group has issued letters of credit amounting to AED 636 million (2021: AED 489 million).

16. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

a) Federal Government and state controlled entities

As stated in Note 1, in accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Company to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government. The Group provides telecommunication services to the Federal Government (including Ministries and local bodies). These transactions are at agreed terms. The principal management and other services provided to the Group's associates are set out below based on agreed contractual terms and conditions. The credit period allowed to Government customers ranges from 90 to 120 days. Trade receivables include an amount of AED 1,683 million (2021: AED 1,586 million), which are net of allowance for doubtful debts of AED 432 million (2021: AED 424 million), receivable from Federal Ministries and local bodies. See Note 5 for disclosure of the royalty payable to the Federal Government of the UAE.

In accordance with IAS 24 "Related Party Disclosures" , the Group has elected to disclose qualitatively the transactions with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence. The nature of the transactions that the Group has with such related parties is the provision of telecommunication services and procurement of services.

b) Joint ventures and associates

	Associates		Joint Ventures	
	2022	2021	2022	2021
	AED '000	AED '000	AED '000	AED '000
Trading transactions for the three months ended 31 March				
Telecommunication services – sales	88,415	98,402	7,421	4,120
Telecommunication services – purchases	14,733	25,805	1,659	1,098
Management and other services revenue	27,544	114,116	-	-
Due from related parties as at 31 March 2022 / 31 December 2021	**71,479**	59,934	**21,563**	22,092
Due to related parties as at 31 March 2022 / 31 December 2021	**-**	-	**7,054**	4,733

Sales to related parties comprise of provision of telecommunication products and services (primarily voice traffic and leased circuits) by the Group based on agreed terms. Purchases relate exclusively to the provision of telecommunication products and services by associates to the Group based on normal commercial terms. The net amount due from related parties are unsecured and will be settled in cash.

The principal management and other services provided to the Group's associates are set out below based on agreed contractual terms and conditions.

i. Etihad Etisalat Company

Pursuant to the Communications and Information Technology Commission's (CITC) licensing requirements, Mobily entered into a management agreement ("the Agreement") with the Company as its operator from 23 December 2004. Amounts invoiced by the Company relate to annual management fees, fees for staff secondments and other services provided under the Agreement. The term of the Agreement was for a period of seven years and could be automatically renewed for successive periods of five years unless the Company served a 12 month notice of termination or Mobily served a 6 month notice of termination prior to the expiry of the applicable period.

The Technical Services and Support Agreement (TSSA) between the Group and Mobily expired on 31 December 2021.

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17. Borrowings

	Carrying Amounts	
	31 March 2022	31 December 2021
	AED'000	AED'000
Bank borrowings		
Short term bank borrowings	3,959,971	4,703,535
Bank loans	8,739,783	9,258,377
Other borrowings		
Bonds	10,635,944	10,898,562
Vendor financing	366,085	323,994
Others	-	5,541
	23,701,783	**25,190,009**
Advance from non-controlling interests	542,276	542,276
Total Borrowings	**24,244,059**	**25,732,285**
of which due within 12 months	5,447,322	6,556,178
of which due after 12 months	18,796,737	19,176,107

The carrying values of the Group's bank and other borrowings, excluding bonds, approximate their fair values. Fair values of bonds are calculated using quoted market prices.

Advances from non-controlling interests represent advances paid by the minority shareholder of Etisalat International Pakistan LLC (EIP) towards the Group's acquisition of its 26% stake in PTCL, net of repayments. The amount is interest free and is not repayable within 12 months of the condensed consolidated interim statement of financial position date and accordingly the full amount is carried in non-current liabilities. The fair value of advances is not equivalent to its carrying value as it is interest-free.

The Group has listed a USD 7 billion (AED 25.7 billion) medium-term note programme which will be used to meet medium to long-term funding requirements. In 2014, the Group issued the inaugural bonds under the GMTN programme in USD and Euro tranches amounting to USD 1 billion and Euro 2.4 billion in total, respectively. Further, in May 2015, the Group issued additional bonds amounting to USD 400 million under the existing USD 5 year tranches.

During 2019, the Group fully repaid USD 900 million notes in accordance with their maturity profile.

As at 31 March 2022, the total amounts in issue under this programme split by currency are USD 0.5 billion (AED 1.84 billion) and Euro 2.4 billion (AED 9.9 billion) as follows:

	Nominal Value 2022	Fair Value 2022	Carrying Value 2022
	AED'000	AED'000	AED'000
Bonds			
3.500% US Dollar 500 million notes due 2024	1,836,250	1,871,341	1,828,068
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	2,022,970	1,899,913	2,012,254
0.875% Euro 500 million notes due 2033	2,022,970	1,852,595	1,986,224
2.750% Euro 1,200 million notes due 2026	4,855,128	5,148,766	4,809,398
At 31 March	**10,737,318**	**10,772,615**	**10,635,944**
of which due within 12 months			-
of which due after 12 months			10,635,944

	Nominal Value 2021	Fair Value 2021	Carrying Value 2021
	AED'000	AED'000	AED'000
Bonds			
3.500% US dollar 500 million notes due 2024	1,837,000	1,946,168	1,828,068
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	2,197,260	2,094,904	2,072,095
0.875% Euro 500 million notes due 2033	2,197,260	2,077,736	2,044,932
2.750% Euro 1,200 million notes due 2026	5,263,680	5,587,933	4,953,467
At 31 December	**11,495,200**	**11,706,741**	**10,898,562**
of which due within 12 months			-
of which due after 12 months			10,898,562

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18. Hedge accounting and derivatives

In prior years, Euro bonds issued (refer to Note 21) and interest rate swap have been designated as net investment hedges and cash flow hedges respectively. The effective portion of the hedge instruments is reported in the other comprehensive income is as follow:

	Three months ended 31 March	
	2022	2021
Effective part directly recognized in other comprehensive income / (loss)	**AED'000**	**AED'000**
Other comprehensive income on net investment hedge	130,354	481,610
Other comprehensive loss on cash flow hedges	103,491	38,102
Total effective part directly recognised in other comprehensive income	**233,845**	**519,712**

	31 March 2022	31 December 2021
Fair value of derivative financial instruments	**AED'000**	**AED'000**
Fair value of forward contracts and options	9,650	9,024
Fair value of derivative swaps	87,391	(44,513)
	97,041	**(35,489)**

19. Other investments

During the period, the Group made financial investments amounting to AED 2.1 billion as at 31 March 2022 which were recognized as Fair Value Through OCI (FVTOCI) investments.

20. Seasonality and cyclicality of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the periods ended 31 March 2022 and 31 March 2021.

21. Fair value disclosures

The Group has Euro bonds and cross currency swaps which are designated as net investment hedges. The Group has in place cross currency USD-EUR swaps which were designated as hedges of net investment. The fair value of the cross currency swaps were calculated by discounting the future cash flows to the net present value using appropriate market interest and prevailing foreign currency rates. The fair value of cross currency swaps represent Level 2 fair values. The Group has quoted equity investments in listed equity securities. The fair values of these equity securities are derived from quoted prices in active markets for identical assets, which in accordance with IFRS 7 *Financial Instruments: Disclosure* , represent Level 1 fair values. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

22. Provision for employees' end of service benefits

	31 March 2022	31 December 2021
The movement in the provision for employees' end of service benefits is provided below:	**AED'000**	**AED'000**
Opening balance	**1,334,829**	**1,297,369**
Additions	37,000	172,878
Payments - net of contributions received	(22,363)	(114,641)
Exchange difference	(20,439)	(65,748)
Unwinding of discount	2,507	-
Remeasurement	(19,294)	44,972
Closing balance	**1,312,240**	**1,334,829**
of which included in current liabilities	105,808	110,946
of which included in non-current liabilities	1,206,432	1,223,883

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23. Right-of-use assets	Land and buildings	Plant and equipment	Motor vehicles, computers, furniture	Total
	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2021	**1,450,271**	**1,104,684**	**145,147**	**2,700,102**
Additions	311,143	162,313	30,436	503,892
Disposals	(89,203)	(13,369)	(9,072)	(111,644)
Depreciation	(345,359)	(185,028)	(48,369)	(578,756)
Exchange difference	(65,583)	(5,867)	(5,223)	(76,673)
Balance at 31 December 2021 / 1 January 2022	**1,261,269**	**1,062,733**	**112,919**	**2,436,921**
Additions	67,398	149,061	9,991	226,450
Disposals	(23,412)	(65,021)	(606)	(89,039)
Depreciation	(60,474)	(50,766)	(14,329)	(125,569)
Exchange difference	(21,624)	(133,191)	(10,156)	(164,971)
Balance at 31 March 2022	**1,223,157**	**962,816**	**97,819**	**2,283,792**

24. Lease liabilities

	Carrying Value	
	31 March 2022	31 December 2021
Details of the Group's lease liabilities are as follows:	AED'000	AED'000
Contractual undiscounted cash flow		
Within one year	680,052	594,840
Between 2 and 5 years	1,767,580	1,756,965
After 5 years	1,641,455	2,012,210
Total undiscounted lease liabilities	**4,089,087**	**4,364,015**
Lease liabilities included in the consolidated statement of financial position		
of which due within 12 months	454,856	544,777
of which due after 12 months	2,051,247	2,109,273

25. Share capital

On 21 March 2018, the Etisalat Annual General Meeting approved the Company's buyback of its shares within a maximum of 5% of its paid-up capital, for the purpose of cancelling or re-selling such shares, after obtaining approval of competent authorities. The Company obtained the approval from the securities and commodities Authority on 24 September 2018 and subsequently renewed on 13 October 2019 to buyback 5% of the subscribed shares which amounted to 434,837,700 shares.

On 22 February 2021, the Board of Directors proposed the cancellation of the share buyback program and instead proposed a one-time special dividend of AED 0.40 per share which were both approved in the Etisalat Annual General Meeting held on 17 March 2021.

26. Acquisition of subsidiaries

(i) Digital Financial Services LLC (DFS)

On 9 December 2021, the Group completed the acquisition of additional 50.01% stake in DFS, which was an associate, bringing its total shareholding in DFS to 100%.

Identifiable assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired, liabilities assumed, as of the acquisition date on a provisional basis. The initial accounting for the business combination is under process as at the date of authorization of this condensed consolidated interim financial information which may result in identification of certain intangible assets during the purchase price allocation exercise. Accordingly, the full amount of consideration in excess of the net identifiable assets acquired has been provisionally allocated to goodwill.

	AED'000
Property , plant and equipment	10,124
Trade and other receivables	198
DFS wallet account balance	801
Bank and cash balances	17,660
Input VAT	1,070
Output VAT	(105)
Accrued Liabilities	(16,873)
Capex payable	(3,318)
Net identifiable assets acquired	**9,557**
Goodwill recognised on the basis of fair valuation	140,428
Fair value of investment	**149,985**

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26. Acquisition of subsidiaries *(continued)*

(ii) elGrocer DMCC

On 28 January 2022, the Group has completed the acquisition of 100% shareholding in elGrocer DMCC after satisfying all conditions precedent and completion deliverables pursuant to an agreement signed with elGrocer LTD against a consideration not exceeding AED 38 million.

elGrocer DMCC has been fully consolidated in this condensed consolidated financial information effective from the acquisition date of 28 January 2022.

Identifiable assets acquired and liabilities assumed

The following table summarizes the fair values of the assets acquired, liabilities assumed, as of the acquisition date on a provisional basis. The initial accounting for the business combination is under process as at the date of authorization of this condensed consolidated interim financial information which may result in identification of certain intangible assets during the purchase price allocation exercise. Accordingly, the full amount of consideration in excess of the net identifiable assets acquired has been provisionally allocated to goodwill.

	AED'000
Property , plant and equipment	193
Trade and other receivables	1,719
Bank and cash balances	2,076
Intangible assets	892
Trade and other payables	(1,499)
Net identifiable assets acquired	**3,381**
Goodwill recognised on the basis of fair valuation	33,705
Fair value of investment	**37,086**

27. Impact of COVID-19 pandemic

Business outlook since first quarter of 2020 has been affected by risks and uncertainties caused by a multitude of factors, some of which were beyond the Group's control.

In this context the Group highlights the health emergency due to the recent spread of the COVID-19 virus, which was declared a pandemic by the World Health Organization during the quarter ended 31 March 2020. To contain the adverse implications for humanity and businesses, governments around the world, including the majority of the countries where we operate and the United Arab Emirates, have in response to this outbreak announced various support measures and imposed to varying degrees restrictions on the movement of people and goods. Whilst the restriction of people and goods has adversely impacted some businesses, at present the extent of those future impacts is unclear as they will be determined by various factors, including the success of the support measures introduced by governments, businesses' ability to manage their operations during these times and the timing and manner of the easing of the restrictions.

The Group's existing documented business continuity plan was activated to ensure the safe and stable continuation of its business operations. Business Continuity Planning Committees have been formed to determine and oversee the implementation of all business continuity plans associated with the effects of COVID-19, including measures to address and mitigate any identified key operational and financial issues.

The Group has performed its assessment of the COVID-19 impact and noted that the lockdown measures led to mobility and travel restrictions. This impacted the way the Group conducts its business and put pressure on revenue as a result of stores closure, affecting the mobile prepaid segment and handset sales in addition to loss of roaming revenue due to the travel ban. Moreover, additional provisions related to trade receivables and contract assets were booked during the prior year. Based on the overall assessment, the Group has concluded that significant changes are not required as of 31 March 2022 in its key accounting judgements and estimates from those applied in the last annual consolidated financial statements as of 31 December 2021, except for updating the forward-looking assumptions relating to the macroeconomic environment used to determine the likelihood of credit losses and those underlying impairment testing computations for various CGUs.

In response to the top-line pressure, the Group was agile in implementing cost optimization initiatives to face the impact of COVID-19. At the same time, it remained focused on initiatives for the future.

Since the third and fourth quarters of 2020, as restrictions began to ease, commercial activities improved gradually. However, due to weaker macroeconomics that continue to pressure consumer and corporate spending, they generally remain below pre-COVID-19 levels. In 2020, along with other groups in Morocco, the Group's subsidiary, Maroc Telecom, contributed an amount of MAD 1.5 billion (AED 551 million) to the special fund dedicated to manage the coronavirus pandemic which is included in Finance and other costs.

The effects of COVID-19 on humanity and businesses continues to evolve, hence there are potential risks and uncertainties associated with its future impact on businesses, though the Group continues to update its plans to seek to respond to them.

28. Material subsequent event

Subsequent to the quarter end, the Group signed a one year bridge USD 7.5 billion facility agreement with a consortium of banks providing additional financial flexibility to the Group for an amount upto USD 7.5 billion.

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