EMIRATES TELECOMMUNICATIONS GROUP COMPANY PJSC 'ETISALAT GROUP'

EARNINGS RELEASE
FIRST QUARTER 2020

21 APRIL 2020

INVESTOR RELATIONS
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FINANCIAL HIGHLIGHTS FOR Q1 2020

- Aggregate subscriber base reached 150 million, representing a year over year increase of 5%;
- Consolidated revenues for the first quarter amounted to AED 13.1 billion, representing an increase of 1% year over year;
- Consolidated EBITDA for the first quarter amounted to AED 6.7 billion, representing an increase of 1% year over year and resulting in EBITDA margin of 51%, stable compared to prior year;
- Consolidated net profit after Federal Royalty amounted to AED 2.2 billion, representing a 2% decrease year over year and resulting in a net profit margin of 17%;
- Consolidated capital spending decreased by 32% to AED 1.1 billion, representing 8% of the consolidated revenues; and
- As part of its support and commitment towards the community and its shareholders, Etisalat's Board of Directors approves interim dividend payout of 25 fils per share

KEY DEVELOPMENTS IN Q1 2020

- Etisalat launched many initiatives to support Government's "Stay at Home" directive offering free mobile internet for families without home internet to facilitate their access to distance learning services, free applications to support work from home for businesses and government entities and free premium TV content to entertain from home;
- Etisalat Group shareholders approved Board's recommendations to distribute a full year cash dividend of 80 fils per share for the fiscal year 2019 at the Company General Assembly Meeting held on 24 March 2020;
- Etisalat named 'most valuable consumer brand' in MEA for the third consecutive year;
- Etisalat announced the successful launch of the first Open virtual Radio Access Network (Open VRAN) in the MENA region;
- Etisalat Group successfully completed the acquisition of Help AG's businesses in the UAE and KSA;
- Etisalat joined forces with Microsoft in a multi-year partnership to envision 'Telecoms Provider Platform of the Future;
- Etisalat and the Department of Health, the regulator of the healthcare sector in Abu Dhabi, announced the launch of the Digital Healthcare Centre, a new initiative to drive innovation in healthcare;
- Etisalat teamed up with Dubai Police to launch a 5G-enabled patrol using Artificial Intelligence; and
- Etisalat Misr and Honeywell partnered to deliver city management services for citizens at Egypt's New Administrative Capital.

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

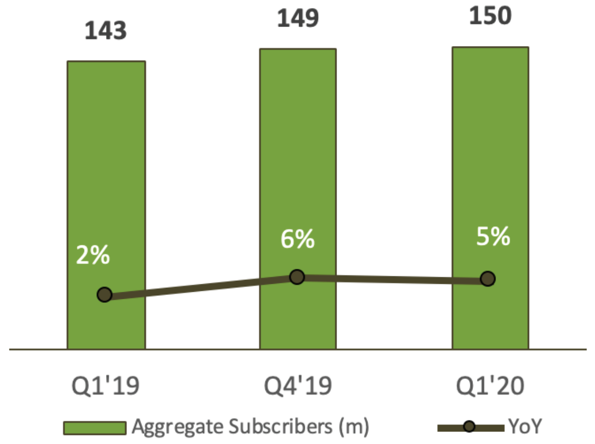
H.E. Obaid Humaid Al Tayer, Chairman of Etisalat Group, said: "Today as we navigate through these challenging times, Etisalat has showed resilience and remained committed towards the communities it serves, ensuring business continuity and readiness, minimising impact on our operations and uninterrupted services to our customers. Etisalat's performance in the first quarter reflects our agility in dealing with unprecedented market challenges and pressures facing the telecom sector globally.

We are also thankful to the vision of our wise leadership in the UAE in positioning the country among the most digitally advanced globally and inspiring us to realise our efforts in 'Driving the digital future to empower societies' by delivering world-class networks, infrastructure and innovative services. This has empowered Etisalat to address the current challenges and meet digital requirements facilitating businesses to work remotely and over a million students enjoying distance learning across the UAE. Through our dedicated teams, we were geared to fully support and serve the community showcasing infrastructure preparedness to deliver access to vital telecom services during today's extraordinary times.

Moving ahead, we remain optimistic about the future as there are immense opportunities in the midst of the challenges and pressures faced by the telecom sector globally. With digital enablement and innovation making an impact on every sector, the world is moving in full force towards achieving digital transformation. 5G network is more important than ever as it will be a key enabler of remote business, education, entertainment and has the capability of addressing customer current and future needs. Etisalat's pioneering position in 5G will bring these futuristic solutions to governments, businesses and consumers alike reiterating our efforts in digital innovation and also our leadership as a telecom brand regionally and internationally.

Etisalat is grateful to the leaders of the UAE for their continuous support and also want to express our gratitude to all our loyal customers and shareholders for their confidence in driving us to accomplish our goals of driving digital innovations for a better future."

SUBSCRIBERS



Etisalat Group aggregate subscribers as at 31 March 2020 was 150 million reflecting a net addition of 7.1 million during the last 12 month period due to subscriber growth in the UAE, Morocco, Pakistan, Saudi Arabia, Burkina Faso, Ivory Coast, Mali and Niger as well as integration of subscribers of Tigo Chad. Quarter over quarter subscriber base increased by 1%.

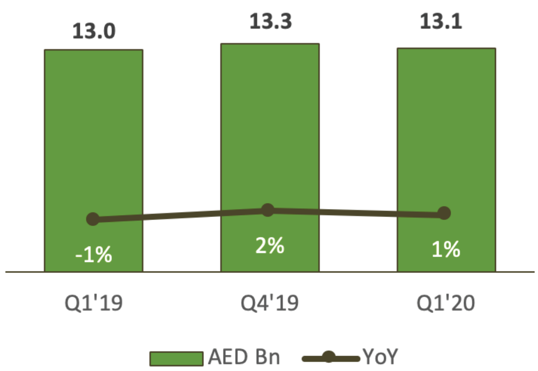
In the UAE, the active subscriber base reached 12.7 million subscribers in the first quarter of 2020, which grew by 1% year on year and quarter over quarter. The mobile subscriber base increased by 1% year on year to 10.9 million subscribers attributed to the postpaid segment that grew by 8% due to new product offerings which resonated well within their target segments and successful migration of customers from prepaid to postpaid segment. This resulted in a flat prepaid segment year over year. eLife subscription continued to drive consistent growth with 3% year on year increase to 1.1 million subscribers. Total broadband segment grew by 2% year on year to 1.2 million subscribers.

For Maroc Telecom, the subscriber base reached 68.5 million subscribers as at 31 March 2020, representing a year over year growth of 11%. This growth is mainly attributable to the operations in Burkina Faso, Morocco, Ivory Coast, Mali and Niger as well as to the integration of Tigo Chad.

In Egypt, subscriber base decreased by 3% year over year to 26.4 million mainly due to the regulatory restrictions on subscriber acquisitions through indirect channels and higher government fees applied on new sims.

In Pakistan, subscriber base increased to 25.9 million, representing a year over year growth of 4% while remaining flat quarter over quarter. This increase is attributed to the mobile segment.

REVENUE



Etisalat Group's consolidated revenue for the first quarter of 2020 amounted to AED 13.1 billion, representing an increase of 1% in comparison to the same period last year and a decrease of 2% quarter over quarter. The year over year increase is attributed to Egypt and Maroc Telecom Group operations, while UAE operations was impacted by COVID-19.

In the UAE, revenue in the first quarter decreased year on year by 3% to AED 7.6 billion and decreased quarter over quarter by 5%. This decline is attributed to slower economic activities, increase in competition and the disruptive impact of the COVID-19 pandemic. In response, Etisalat supported "Stay at Home" initiative by offering various free OTT applications for consumers to connect with their family and study from home and for business segment to work from home and offered some of our premium TV content for free for home entertainment. As a result, voice revenue, outbound roaming and handset sales declined. Mobile segment revenue declined year over year by 6% to AED 2.9 billion attributed to the increased penetration of OTT services and wifi offloading. Fixed segment revenue declined year over year by 3% to AED 2.8 billion. Other segment revenue remained stable year over year at AED 2.0 billion.

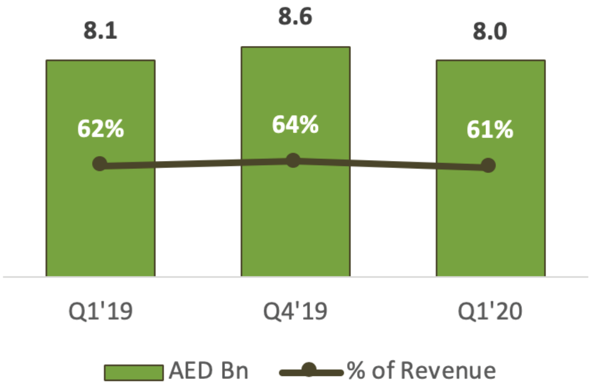
Revenues of International consolidated operations for the first quarter of 2020 increased year over year by 4% to AED 5.2 billion and increased quarter over quarter by 2%. This growth is mainly attributed to the strong performance of Etisalat Misr and consolidation of Tigo Chad into Maroc Telecom Group financials effective from July 1, 2019. This growth offset the negative impact of unfavorable exchange rates movements in Pakistan and CFA Franc in West African operations, increased competitive environment in the international operations of MT Group and reinstatement of tax on mobile telecom services in Pakistan. Revenues from International operations represented 40% of Group consolidated revenue.

Maroc Telecom consolidated revenue for the first quarter of 2020 amounted to AED 3.4 billion representing a year over year increase of 2% attributed mainly to the growth of mobile and fixed broadband in Morocco and the consolidation of Tigo Chad's operations effective from July 2019. In Morocco, revenue remained steady year over year in local currency. The mobile segment revenue increased by 2% supported by mobile data growth of 20%; however it was partially offset by the decline in the revenue of the fixed segment by 1.6% due to the decrease in International transit activity. Revenue from international operations increased year over year by 7% in local currency, resulting in 46% contribution to Maroc Telecom Group's consolidated revenue. This increase is attributed to growth in mobile data and consolidation of Tigo Chad.

In Egypt, revenue for the first quarter of 2020 was AED 1.0 billion, an increase of 33% year on year and 7% quarter over quarter. First quarter year on year growth is attributed to strong contribution from mobile data and increase in voice and national roaming revenue.

In Pakistan, revenue for the first quarter was AED 0.7 billion representing a year over year decrease of 15% while remaining steady quarter over quarter. Revenue growth is impacted by unfavourable exchange rate movements of the Pakistani Rupee against AED. In local currency, revenue declined in the quarter by 5% mainly attributed to the mobile segment that was impacted by the reinstatement of taxes on telecom services effective from April 2019 that were suspended in June 2018.

OPERATING EXPENSES



Consolidated operating expenses for the first quarter of 2020 was AED 8.0 billion, stable compared to the same quarter of the previous year and a decrease of 6% from the fourth quarter of 2020. The decrease is mainly attributed to lower direct cost of sales, staff costs, and other operating expenses. Key components of operating expenses are:

- Direct cost of Sales decreased year over year by 3% to AED 3.0 billion in the first quarter of 2020, while decreased by 4% quarter over quarter. As a percentage of revenue, it decreased by 1 percentage point to 23% in the first quarter.

- Staff expenses decreased by 1% to AED 1.2 billion for the first quarter of 2020 as compared to the same period of last year and by 2% quarter over quarter. As a percentage of revenue, staff costs remained stable in the first quarter at 9%.

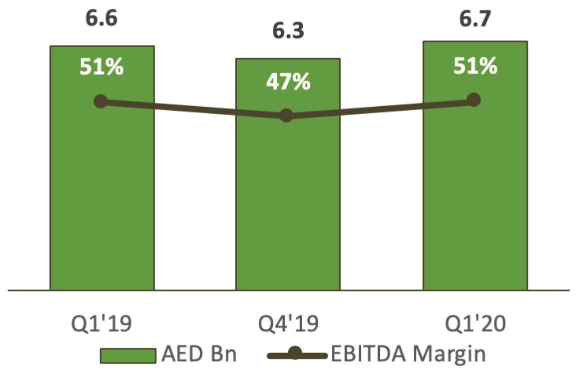
- Depreciation and Amortization expenses increased year over year by 5% to AED 1.9 billion in the first quarter of 2020 as compared to the same period in 2019, and increased quarter over quarter by 2%. As a percentage of revenue, depreciation and amortization expenses increased by 1 percentage point to 15% in the first quarter and compared to the first quarter and fourth quarter of 2019.

- Network costs increased year over year by 3% to AED 0.6 billion in the first quarter of 2020 as compared to the same period in 2019 and by 1% compared to the fourth quarter of 2019. As a percentage of revenue, network costs remained stable at 5%, similar to first quarter and fourth quarter of the prior year.

- Marketing expenses increased by 9% to AED 0.2 billion in the first quarter of 2020 as compared to the same period in 2019 and decreased by 62% in comparison to the fourth quarter of 2019. As a percentage of revenue, marketing expenses stood at 2% in the first quarter, similar to first quarter and 3 percentage points lower than the fourth quarter of the prior year.

- Other operating expenses decreased by 4% year over year to AED 0.9 billion in the first quarter and decreased by 5% quarter over quarter. This decline is mainly attributed to lower consultancy and IT costs. Other operating expenses represented 7% of the quarter revenues, stable compared to first and fourth quarter of the prior year.

EBITDA



Group Consolidated EBITDA for the first quarter of 2020 increased by 1% year on year and by 7% quarter on quarter to AED 6.7 billion, resulting in an EBITDA margin of 51%, stable compared to the prior year and 4 percentage points higher than the prior quarter.

In the UAE, EBITDA in the first quarter of 2020 was AED 4.1 billion, a 2% decrease year-over-year and leading to an EBITDA margin of 53%, 1 percentage point higher than the first quarter of the previous year. EBITDA increased by 4% with EBITDA margin up by 5 percentage points in comparison to the fourth quarter of 2019. The year over year decrease is mainly attributed to lower revenue while the increase in EBITDA margin is due to a better revenue mix.

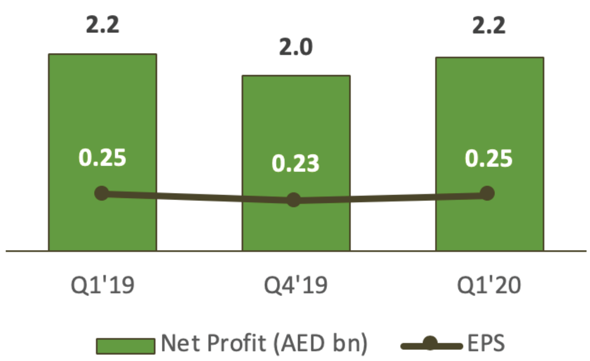
EBITDA of International consolidated operations increased year over year by 3% to AED 2.5 billion in the first quarter, resulting in a 37% contribution to Group consolidated EBITDA. EBITDA margin of international operations stood at 47%, stable compared to the same period last year and representing an increase of 3 percentage points compared to the fourth quarter of 2019.

Maroc Telecom's consolidated EBITDA for the first quarter of 2020 amounted to AED 1.8 billion increasing year over year by 3%, resulting in an EBITDA margin of 54%. In Moroccan Dirham, EBITDA in absolute terms increased year over year by 4% due to growth in international operations. This is attributed to the lower mobile termination rates in various countries and consolidation of Tigo Chad's operations effective from July 2019.

In Egypt, EBITDA in the first quarter increased year on year by 39% to AED 0.4 billion and EBITDA margin increased by 2 percentage points to 42%. Quarter over quarter, EBITDA increased by 38% and EBITDA margin increased by 10 percentage points. This increase is attributed to higher revenue growth coupled with better operating cost control measures.

In Pakistan, EBITDA in the first quarter of 2020 decreased year on year by 31% to AED 0.2 billion with EBITDA margin decreased by 6 percentage points to 29%. Quarter over quarter, EBITDA increased by 5% and EBITDA margin increased by 1%. During the quarter, EBITDA was negatively impacted by unfavourable exchange rate movements of the Pakistani Rupee against AED, lower revenue, higher network and IT costs, and higher staff costs. In local currency, EBITDA decreased year over year by 23%.

NET PROFIT & EPS

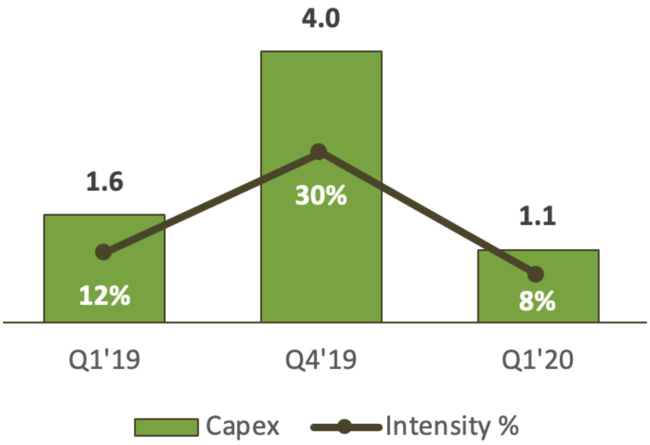


Consolidated net profit after Federal Royalty decreased year over year by 2% to AED 2.2 billion in the first quarter of 2020 while net profit margin remained steady at 17%. This decrease is attributed to higher depreciation and amortization expenses, higher forex losses, and higher net finance and other costs, higher impairment loss of trade receivables and contract assets and lower market-to-market valuation of financial investments. Quarter over quarter net profit increased by 11%.

Earnings per share (EPS) amounted to AED 0.25 in the first quarter, a decrease of 2% as compared to EPS of the same period last year.

On 21 April 2020, the Board of Directors approved an interim dividend distribution for the year 2020 at the rate of 25 fils per share. Shareholders registered in the Shareholders' Register at the close of the business day on 3 May 2020, will be eligible for the dividend distribution.

CAPEX



Consolidated capital expenditure decreased year over year by 32% to AED 1.1 billion in the first quarter of 2020 resulting in a capital intensity ratio of 8%, 4 percentage points lower than the same period in 2019. Excluding the cost of licenses from the previous year, capex remained stable year over year.

In the UAE, capital expenditure in the first quarter was focused on 5G network deployment and network capacity. Capital expenditure during the quarter amounted to AED 0.5 billion, a 16% increase in comparison to the same period last year. Capital intensity ratio was 6%, representing 1 percentage point higher than the same quarter of the prior year and 25 percentage points lower than the fourth quarter of 2020.

Capital expenditures in consolidated international operations in the first quarter of 2020 decreased by 49% to AED 0.6 billion compared to the same period last year and represented 55% of total Group capital expenditure.

In Maroc Telecom, capital expenditure for the first quarter decreased by 76% year over year to AED 0.2 billion resulting in a capital intensity ratio of 6%. Excluding the license acquisition cost of Burkina Faso from the first quarter of 2019, capex decreased year over year by 40%. Capex spend in Morocco decreased year over year by 19% and was oriented towards increasing the data capacity and densification of the Fixed Broadband network. On the international front, capex spend decreased year over year by 87%; adjusting the cost of licenses from prior year, capex spend decreased year over year by 48% with spend focusing on networks expansion and upgrades to support the growth of data usage.

In Egypt, capital expenditure for the first quarter increased by 54% year over year to AED 0.3 billion resulting in a capital intensity ratio of 25%, 3 percentage points higher than the same period of the prior year. The increase in capital spending is attributed to the 4G deployment and upgrading of network capacity.

In Pakistan, capital expenditure for the first quarter decreased by 6% year over year to AED 0.1 billion resulting in a capital intensity ratio of 17%, 2 percentage points higher than the prior year. Capital spending focused enhancement of the mobile network's capacity.

DEBT

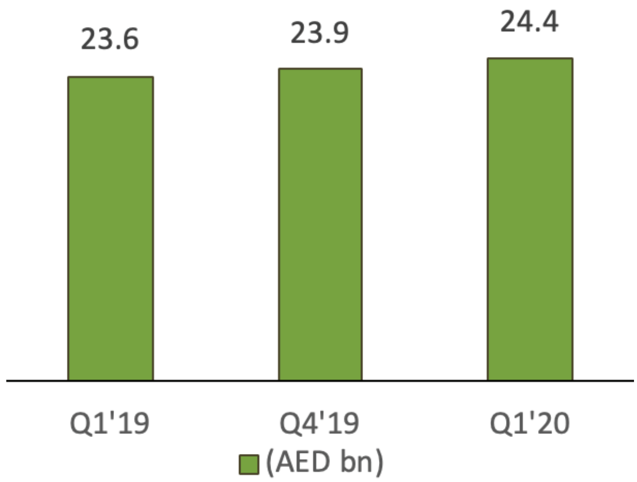
Total consolidated debt amounted AED 24.4 billion as of 31 March 2020, as compared to AED 23.9 billion as at 31 December 2019; an increase of AED 0.5 billion.

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

- **Etisalat Group (AED 14.7 billion)**
- **Maroc Telecom Group (AED 7.2 billion)**
- **Etisalat Misr (AED 1.3 billion)**
- **PTCL Group (AED 1.2 billion)**

More than 70% of the debt balance is of long-term maturity that is due beyond the first quarter of 2021.

Currency mix for external borrowings is 40% in Euros, 24% in US Dollars, 18% in MAD and 18% in various currencies.



Consolidated cash balance amounted to AED 33.6 billion as of 31 March 2020 leading to a net cash position of AED 9.2 billion.

PROFIT & LOSS SUMMARY

(AED m)	Q1'19	Q4'19	Q1'20	QoQ	YoY
Revenue	12,989	13,341	13,113	-2%	+1%
EBITDA	6,617	6,277	6,715	+7%	+1%
EBITDA Margin	51%	47%	51%	+4pp	0pp
Federal Royalty	(1,587)	(1,028)	(1,455)	+42%	-8%
Net Profit	2,212	1,963	2,179	+11%	-2%
Net Profit Margin	17%	15%	17%	+2pp	0pp

BALANCE SHEET SUMMARY

(AED m)	December 2019	March 2020
Cash & Bank Balances	29,657	33,574
Total Assets	128,266	130,053
Total Debt	23,889	24,353
Net Cash / (Debt)	5,768	9,222
Total Equity	57,767	56,074

CASH FLOW SUMMARY

(AED m)	3M' 2019	3M' 2020
Operating	4,497	4,174
Investing	(1,357)	(897)
Financing	(197)	439
Net change in cash	2,943	3,716
Effect of FX rate changes	71	228
Reclassified as held for sales	(2)	(26)
Ending cash balance	31,373	33,574

	Average Rates			Closing Rates		
Foreign Exchange Rates	Q1'19	Q1'20	YOY	Q1'19	Q1'20	YOY
EGP - Egyptian Pound	0.2085	0.2327	11.61%	0.2098	0.2334	11.25%
SAR - Saudi Riyal	0.9792	0.9787	-0.05%	0.9792	0.9784	-0.08%
CFA - Central African Franc	0.0064	0.0062	-3.13%	0.0064	0.0062	-3.13%
PKR - Pakistani Rupee	0.0263	0.0235	-10.65%	0.0262	0.0232	-11.45%
AFA - Afghanistan Afghani	0.0484	0.0474	-2.07%	0.0484	0.0477	-1.45%
MAD - Moroccan Dirham	0.3844	0.3794	-1.30%	0.3836	0.3768	-1.77%

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)	Q1'19	Q4'19	Q1'20
EBITDA	6,617	6,277	6,715
Depreciation & Amortization	(1,854)	(1,906)	(1,950)
Exchange Gain/ (Loss)	(33)	(32)	(34)
Share of Associates and JV's results	(10)	(37)	(31)
Impairment and other losses	(1)	(1,188)	(0)
Operating Profit before Royalty	4,719	3,115	4,762

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 ETISALAT GROUP

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

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

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