Q1 2020 Financial Results

Emirates Integrated Telecommunications Company PJSC

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Q1 2020: Updates

During the quarter, EITC executed some of the business initiatives but also faced major challenges as a result of the COVID-19:

COVID-19 Updates

- Activated crisis and "business continuity" processes – and they worked
- Implemented various initiatives to ensure the safety and health of all employees and partners – very few incidents
- Around 98% working from home
- 40% increased in fixed data traffic – around 10% on mobile data
- Digital channels tested and coping well – from very low levels
- Focus on enabling home schooling; with government and other institutions
- Certain VoIP/collaboration tools opened up
- Increased Fixed Broadband speeds for all our customers – up to 500Mbps
- Managed payment requirements for customers – risk for higher bad debts

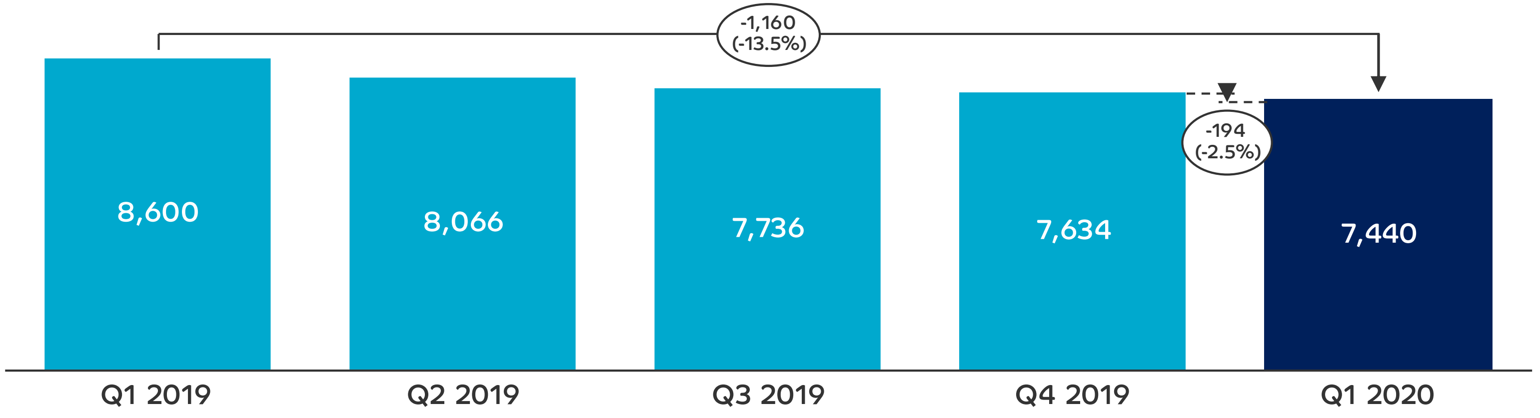
Other Updates

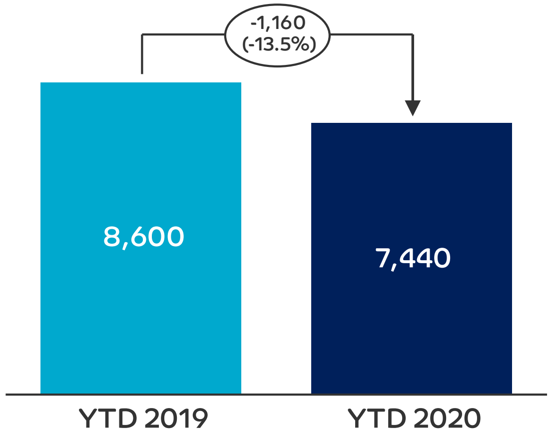
- Dividend payment of AED 0.21 per share -for H2 2019- approved by the General Assembly
- Repayment of the last instalments under the existing facilities – the company is "debt free"
- Joining of new CEO and launch of transformation plan
- Securing several large ICT contracts

Key Highlights: Subscriber base

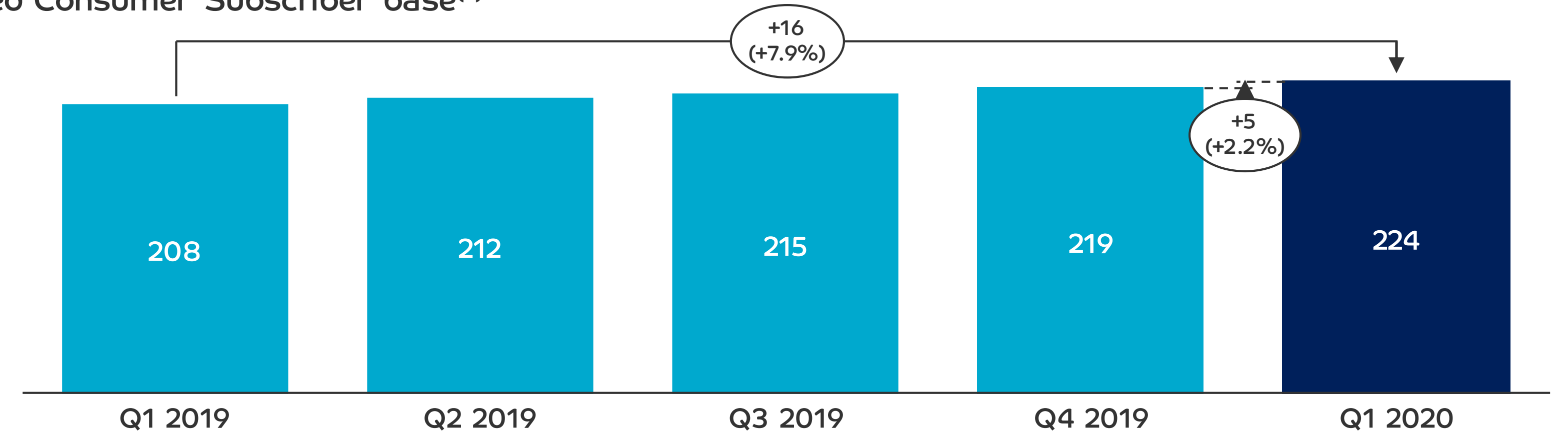
Mobile Subscriber base[(1)]

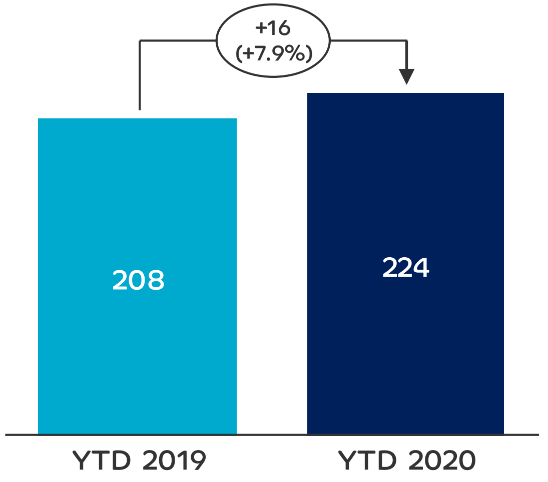
In '000





Fixed Consumer Subscriber base[(2)]



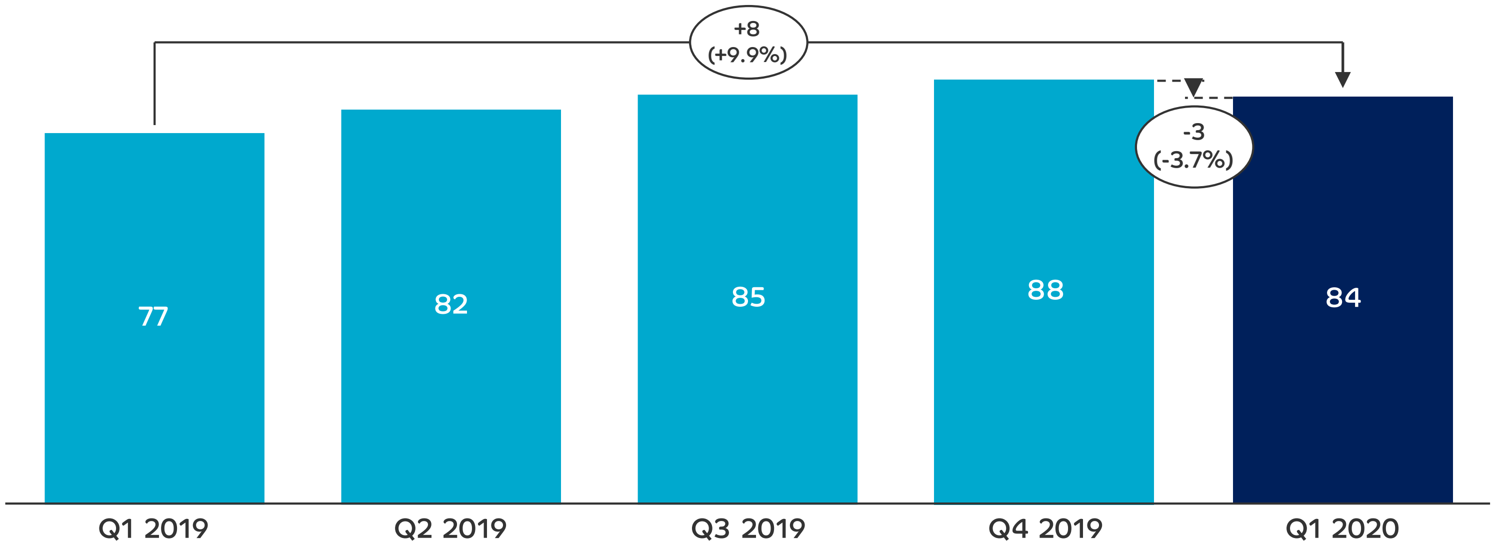


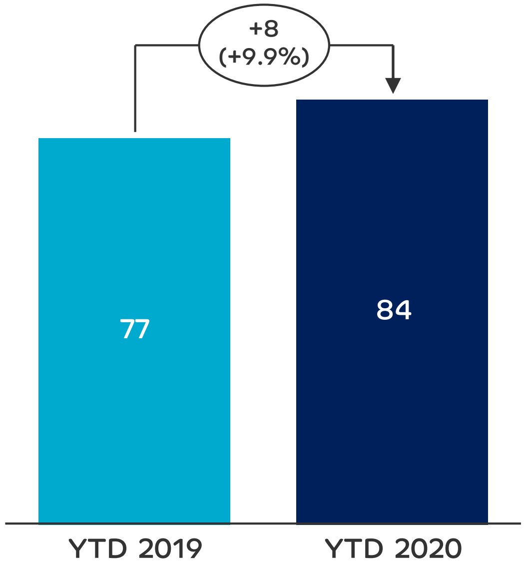
- Mobile subscriber base declined by 13.5% compared to last year, mainly due to MNMI related disconnections in 2019. The decline compared to Q4 2019 is due to the decrease in prepaid subscribers which is partially impacted by movement restrictions in March 2020.
- Fixed customer base continued to increase at a healthy pace.

(1) Mobile subscriber base as per TRA definition: a subscriber is accounted in the base is a subscriber that has made any transaction, including a non-billable transaction, in the last 90 days.
(2) Fixed Subscriber base are unique subscribers having active subscription plan.

Key Highlights: Mobile ARPU

In AED

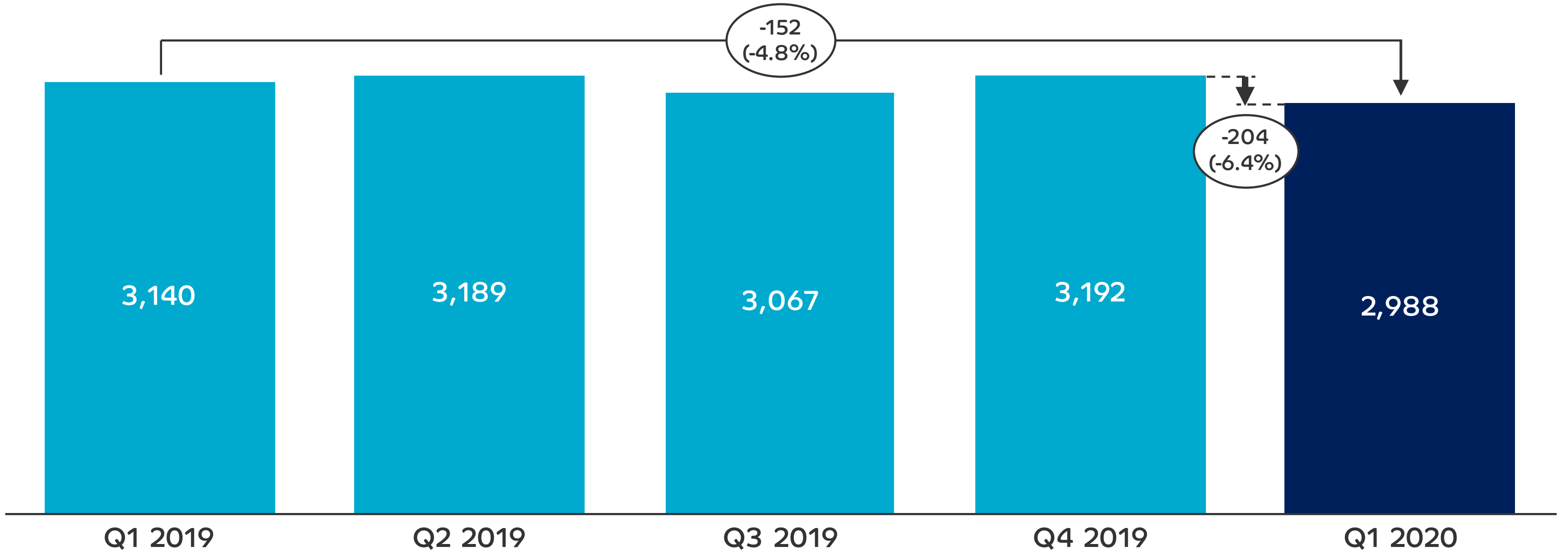


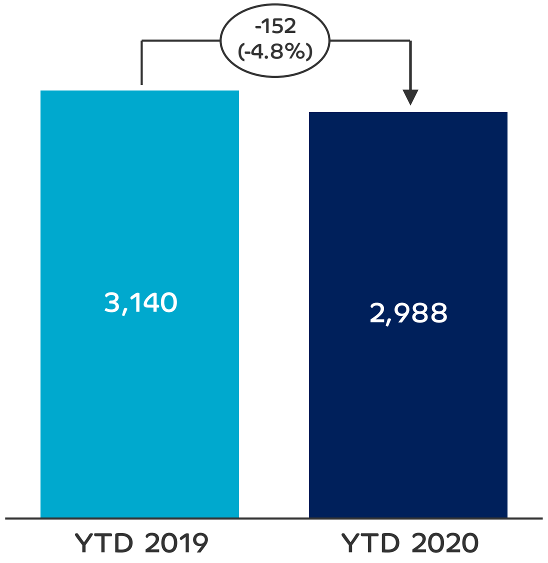


- Improvement in ARPU compared to last year is largely driven by the change in the mix of Prepaid and Postpaid subscribers.
- Q1 2020 mobile ARPU declined compared to last quarter due to lower voice revenues across the products.

Key Financial Highlights: Revenues

AED Millions

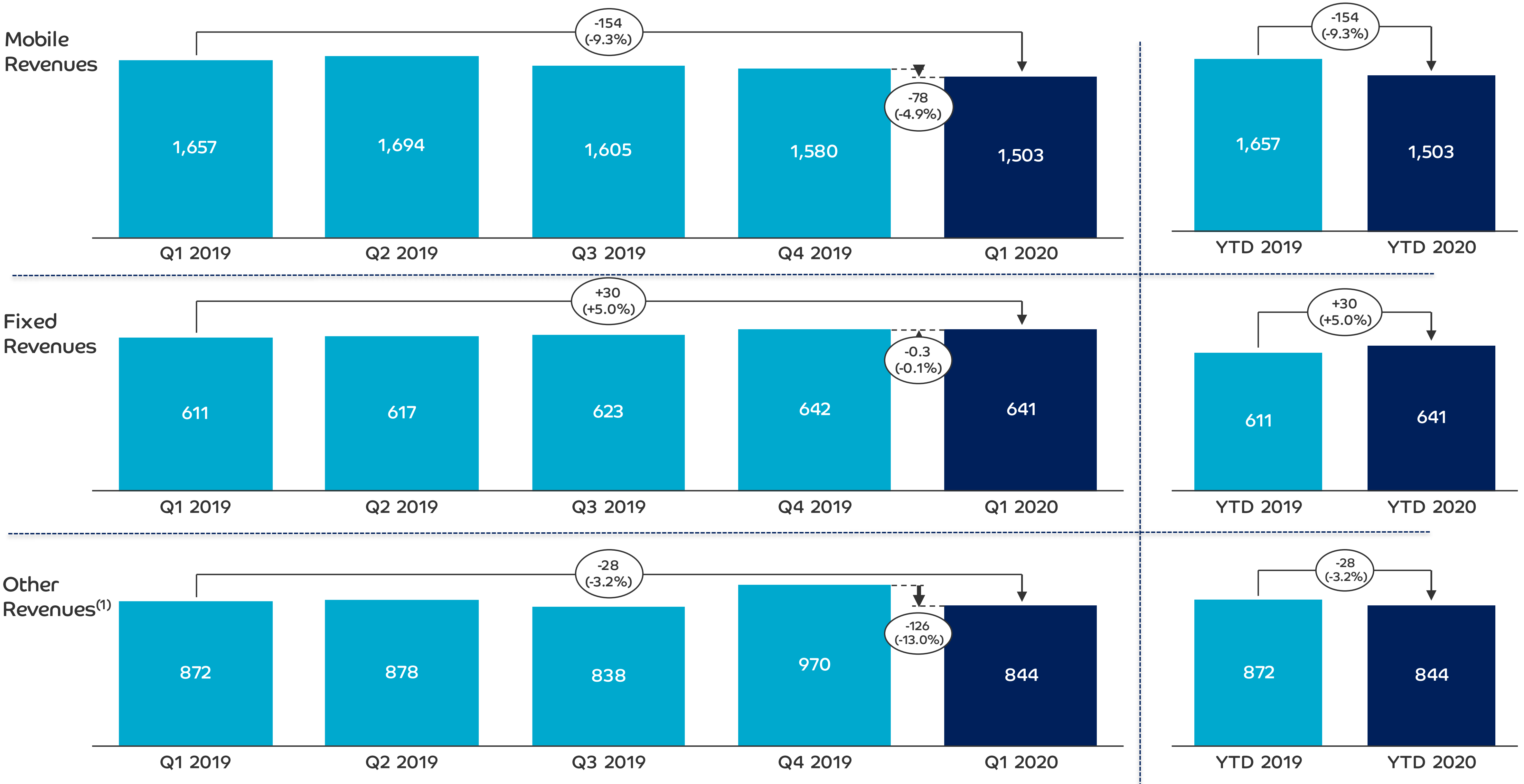




- Total revenue decline compared to last year is mainly influenced by the drop in mobile revenues. The decline compared to last quarter is mainly due to lower mobile and other revenues.
- Compared to last year, mobile revenue decline is driven by lower voice revenues coupled with the loss of customer base in prepaid segment. Mobile revenues are also negatively impacted by the movement restrictions put in place across the country during March 2020.
- Fixed revenues continued to increase as a result of the steady increase in fixed subscriber base.
- Other revenues are impacted by lower voice transit business compared to last year. Compared to the previous quarter, the drop is significant due to lower equipment revenues.

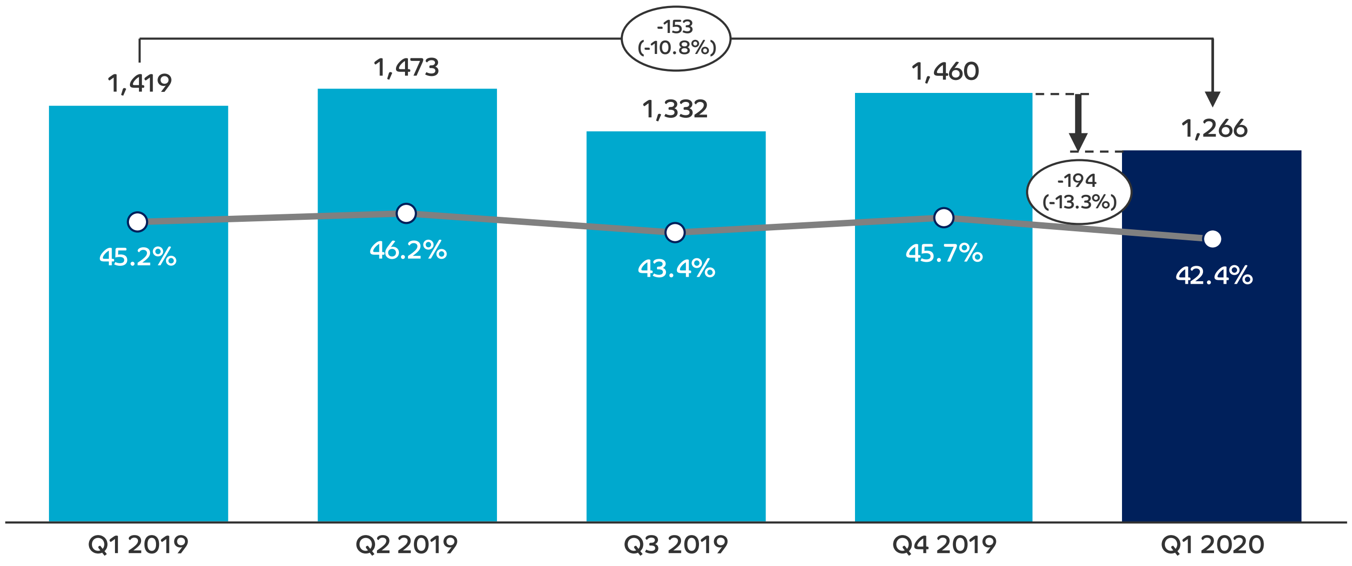
Key Financial Highlights: Segment Revenues

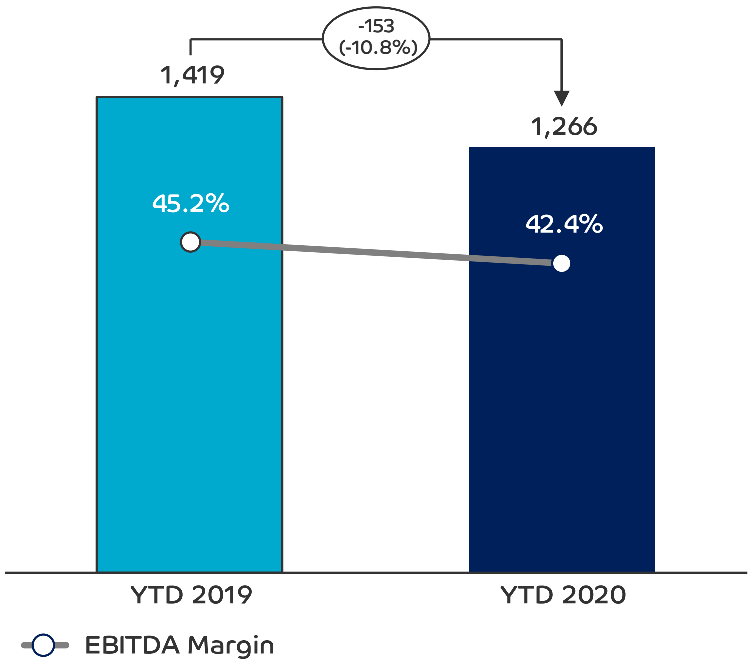
AED Millions



(1) Other revenue mainly includes Interconnect, international voice transit, handset and visitor roaming revenues

Key Financial Highlights: EBITDA

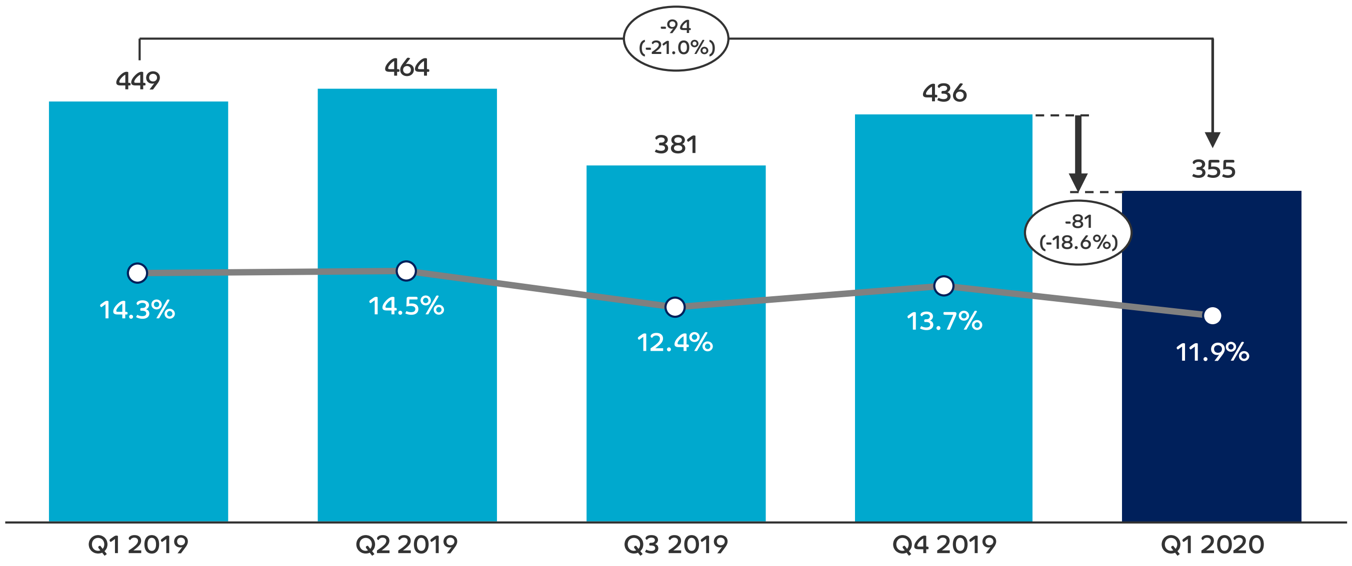


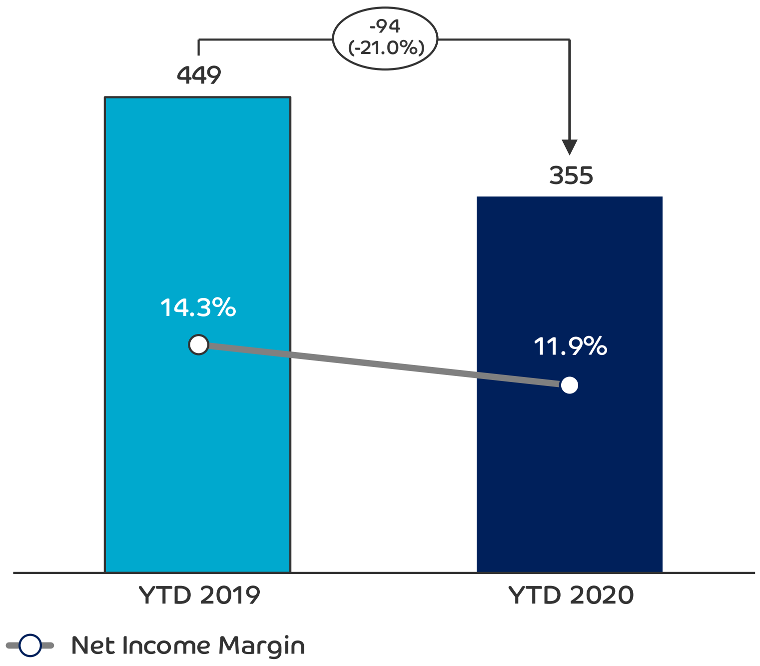


- Compared to last year, the decrease in EBITDA is largely driven by the decline in mobile revenues, the increased spend on better customer offering and the cost inelasticity to revenue decline.
- Operating costs remains flat despite increased cost in new businesses (ICT & Digitalization).

Key Financial Highlights: Net Income

AED Millions

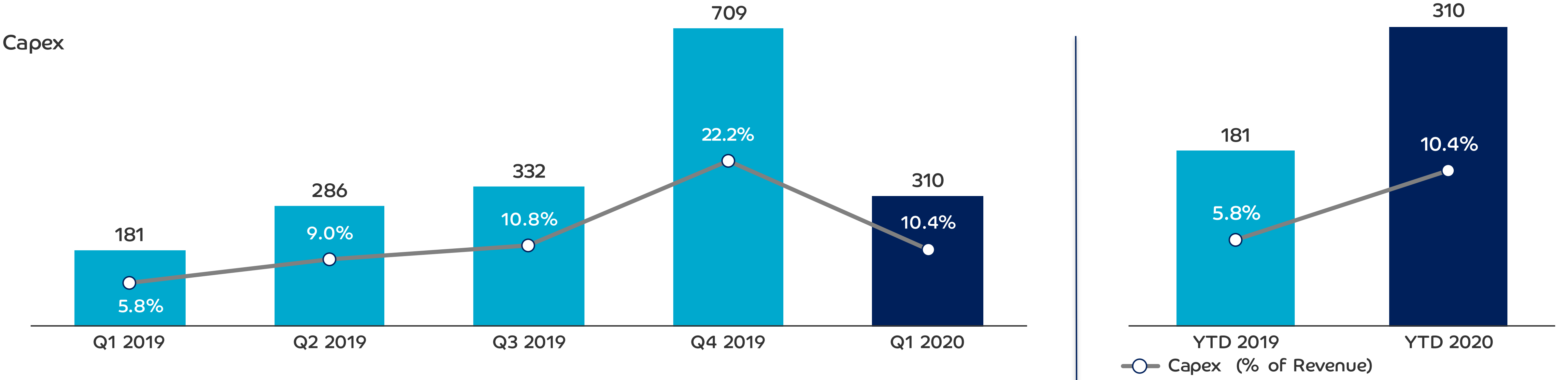


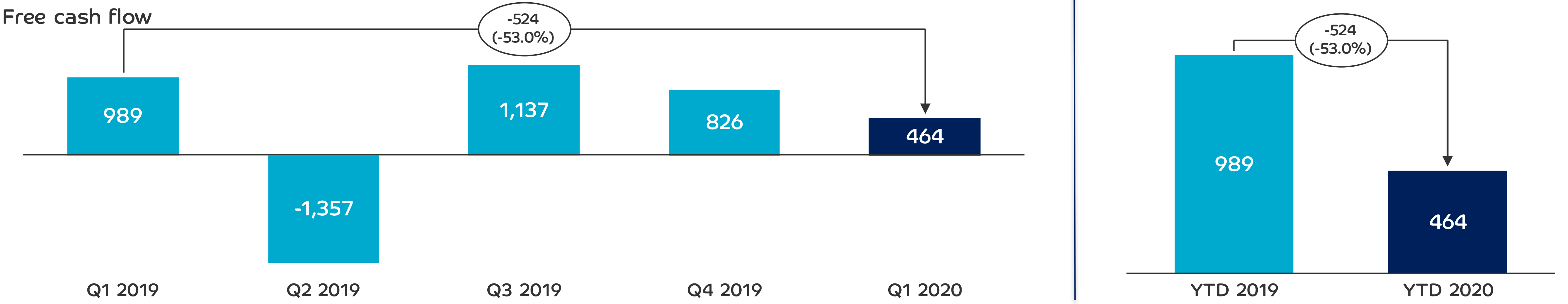


- Net Income decline is largely flowing from lower EBITDA compared to last year as well as last quarter.

Key Financial Highlights: Capex and Free Cash Flow

AED Millions





- Continued investment in the fixed and mobile network expansion during the quarter.
- Free cash flow is lower mainly due to lower EBITDA and cash outflow related to previous and current quarters' increased capex spending.

2020 Outlook amid COVID-19 (1/2)

Resilient industry but still negative impact:

- Reduction of sales due to closing of the shops as a result of the lock down
- Shift of mobile traffic to already monetized and non-monetized fixed traffic
- Temporary introduction of the VoIP and Video apps
- Significant reduction of roaming revenues as a result of travel restrictions
- Potential increase of bad debt as a result of the difficult situation of customers and partners
- Potential delay in investments due to supply chain issues

ETIC risks being more negatively impacted in relative terms than competition due to its over representation in more vulnerable products/segments as well as under representation in more resilient products/segments

2020 Outlook amid COVID-19 (2/2)

Short-term: Mitigate and fight

- Preparation of various plans to cope with an evolving situation – ensuring availability of "serve and sell"
- Proactive cost optimization/reduction measures to manage the erosion of the topline
- Acceleration of our digital transformation plan, across all our business segments

Long-term: Come out stronger – Change program to accelerate

- Our industry can be the positive force post-Covid-19
- Challenge our existing business models
- Capitalize better on our strengths
- Change program initiated pre Covid-19 but accelerated during/post Covid-19

Thank you.