

Company: Grameenphone Ltd.
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Naureen Quayum: Good morning, everyone, and welcome to the 1st Quarter, 2020 earnings disclosure for Grameenphone. Thank you for joining us today. My name is Naureen, I am the Head of Investor Relations for Grameenphone. Before we begin, I want to inform you that this presentation along with all additional documents have been uploaded to our Investor Relations website. Due to the precautions that we are taking surrounding the spread of Coronavirus, we will be unable to host a Q&A session today. Please reach out to me with your questions over email after the end of this session so that we can answer any queries you may have. We will also be available to take one-on-one meetings over the next few days. I would now like to welcome our CEO Mr. Yasir Azman to start our presentation.

Yasir Azman: Thank you, Naureen. Good morning, everyone, and welcome to Grameenphone's earnings disclosure for the 1st Quarter of 2020. I hope all of you are safe, healthy, and at home. My name is Yasir Azman. I am the CEO of Grameenphone, joining with me today is our CFO, Jens Becker. Grameenphone completed 23 years of operations in Bangladesh on 26th March, 2020. We are proud to be able to empower Bangladesh by bringing connectivity to 75.3 million people. Out of which, 40.4 million are enjoying connectivity to the world via internet. In the first three months of 2020, we have paid more than 2400 crore taka in taxes, VAT, duties, license, spectrum fees and revenue shares to the National Exchequer. The first few Covid-19 cases were diagnosed in Bangladesh around the second week of March. The government declared telecommunication services as an emergency service and we are dedicated to continuing serving our customers with the help of our partners and local communities. We have also committed to providing 50,000 units of medical grade professional PPE and 10,000 PCR test kits to our medical front-liners. In close collaboration with the government and various NGOs, we are using our technology expertise in spreading awareness messages and mapping the spread of Coronavirus using our data analytics expertise to help tackle the community spread. If I go by the highlights, the telecommunications industry gained 0.5 million new subscribers in January and February, ending with 166.1 million subscribers, as reported by our regulator. During the same period, mobile data users grew by 0.5 million to reach 99.9 million at the end of February. Grameenphone reported reduced revenue growth in the first three months of 2020. The negative impact arises mainly from the highly publicized and scrutinized tussle with our regulator over the audit, which we continue to dispute, but look forward to an amicable resolution. Despite the many challenges we faced in our day-to-day operations, we successfully drove our 4G conversion which led to 14.2 million 4G customers. Our network rollout was also hampered due to the regulatory restrictions. Nonetheless, we reached over

10,200 4G sites. I will take you through more details on the Covid-19 situation later in this presentation. For many quarters now, we have been facing several challenges in our regulatory environment. Due to the halt on issuing NOCs by our regulator, which lasted till March this year, our network rollout has been significantly low in Quarter-1 2020. We have rolled out only 197 4G sites. By revising our data pack portfolio offering incentive to our users to convert to 4G and providing personalized offers, we successfully converted our customers to 4G. Talking about our market operations in the beginning of Quarter-1, I had publicly talked about the number scarcity that we were facing as our regulator was not issuing new numbers to us. The process of recycling numbers is also lengthy. Both these factors combined led to a lower gross add for GP and overall a negative net add in Quarter-1. We have now been cleared with the recycling numbers. For a few years now, we have been transforming our way of work slowly as we are simplifying and digitizing our process including those that impact our value chain. This is one of the key drivers of efficiency in our operations. We saw a significant growth in the usage of apps that we have introduced for our sales executives and retailers. Thus, further adding to our digitalizing ambitions. Across the entire country, we have also added 40 new GP customer services points, which enabled us to widen our reach to our customers and serve them better. On our regulatory environment: in our ongoing tussle with our regulator, a key development was the deposit we made to BTRC of BDT 10 billion in February and secure the injunction that was granted to us following which near the end of March BTRC started to issue NOCs that I have mentioned earlier. We strongly dispute the validity of this audit and I will discuss more in details later in this presentation.

Covid-19 situation in Bangladesh: the first cases of Coronavirus were recorded on 8th March 2020 and up till 21st of April the number of cases went up to over 3300 while there were over 100 deaths been already reported from the virus via news sources. All educational institutes were declared closed on 16th March, while on 23rd March the government announced general holidays which have been extended until 25th April now. The government also advised against non-emergency movement from 6.00 PM to 6.00 AM and we see some community lockdown in areas where residents have been positively tested for Coronavirus. During these holidays, the government declared that emergency and essential services are to remain operational and telecommunications including its value chain has been recognized as an emergency service for the country. Therefore, along with the partners and with the support of law enforcement and local communities, we have been operating during this crisis to keep our network up and running to provide connectivity to our customers so that they can stay in touch with their loved ones. The impact that we see from the barriers in market operations, the very early on during the Covid-19 outbreak in Bangladesh, telecommunications have been declared, as I mentioned, as an emergency service. We have been closely collaborating with law enforcement and government authorities to make sure that we are able to operate on the ground as seamlessly as possible. However, we have had to face obstacles in our way as the virus continues to spread in many areas and localities. Many residents have taken it upon themselves to self-impose community lockdown. This has prevented us from carrying out our

operations in many areas. However, with the continued effort and dedication of our employees through innovation, through collaboration in the local communities, with our partners, with our distributors, with the support of law enforcement authorities, we have been taking the necessary precautions in carrying out our operational work. Our vast network of distribution houses, retailers, sales executives along with vendors and partners have proven extremely resilient in these trying times. We have not seen that our customers are out of balance or our retailers are not in operation yet. Additionally, we have also had to face weather, a few tropical storms during this pandemic, which led to network outages in many areas. And with the sheer dedication of our technology and network support team, we have been able to revive our network in the fastest possible time. And that was almost as business as usual. As we have also started getting clearance on our NOCs recently, we are certain that we all will be able to improve our customer experience significantly in the coming days. Talking about our employees and work force: our first and foremost priority in this situation has been to ensure health and safety of our employees. We have been very much into the forefront to take care of all the concerns and to make sure that our employees are safe, so that we continue telecommunication service which is essential in the country and there is a lot of dependence on our services. At Grameenphone, we have fully embarked working from home as the new normal. Almost 100% of our employees are operating from home with all necessary digital tools and essentials provided to them – fastest internet, secured remote access, etcetera. We have also provided training and working from home guidelines to our employees to ensure that they can work efficiently from home while still maintaining a normal work-life balance. Our customer-facing front-line employees have been provided Personal Protection Equipment following guideline issued by World Health Organization. For our employees and partners who are out in the field everyday, helping us reach and serve our customers, we have provided necessary alignment with authority and safety measures as such masks, gloves and proper know-how of social distancing. We have also started to provide support to our retail value chain by providing hardship allowances as the mode of transport and mobility has changed significantly over the last few weeks. At all our customer point of sales across the country, we have shared awareness and guidelines on proper social distancing, even in remote areas. We have been able to implement proper safety measures with immense support from our local partners. We have developed glass barriers in our customer walk-in centers across the country to ensure health and hygiene safety for both customers and for our employees. We are also encouraging the use of digital platform such as our self-service app MyGP and our website Grameenphone.com. To further contribute to social distancing, we have partnered with MFS, Mobile Financial Service providers to enable pack purchase and recharge through their services. In fact, we have seen a big jump in the usage of our digital platforms in terms of recharge and sales.

I would like to talk about our regulatory landscape. Beginning with the BTRC audit, on 20 February 2020, in the hearing of a Review Petition filed by Grameenphone on 26 January 2020, the Hon'ble Appellate Division (AD) verbally directed Grameenphone to deposit BDT

10,000,000,000 within 24 February 2020. Grameenphone deposited the money on 23 February 2020 and booked the deposit as non-current receivables as disclosed in Note 8 of the Financial Statements. On 24 February the Hon'ble Appellate division directed Grameenphone to deposit remaining BDT 10,000,000,000 by 31 May 2020 and in default of the said payment, the interim order of stay and injunction passed by the Hon'ble High Court Division (HCD) shall stand vacated. The Hon'ble Appellate Division also directed BTRC to allow Grameenphone to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order. After depositing BDT 10 billion, Grameenphone met with BTRC representatives in several occasions for release of NOC for equipment import and to address the new and recycled number crisis issue. Grameenphone pursued for 7.9 million recycle number and allocation of new numbers from "013" prefix/series. BTRC has consented for recycling of 7.9 million number. That was a development. Requests for NOC remained pending at BTRC impacting network expansion and creating challenges for Grameenphone to ensure its network readiness under ongoing COVID-19 context. After receiving the court order, BTRC started releasing NOC in phases. The original Title suit is pending at the District Court. On 03 March 2020, BTRC appeared in the suit and sought time for submitting reply. BTRC auditor appeared in the suit earlier and has not submitted its reply yet. The next date is fixed on 21 July 2020 for reply of BTRC and Auditor. Let me talk about the SMP regulation at this point. The directives imposed by BTRC on Grameenphone were declared as illegal by the Hon'ble High Court Division of the Supreme Court of Bangladesh on 15 December 2019, and the court has ordered BTRC to recall the said directives. Discussions between BTRC and Grameenphone were held after receiving the Hon'ble Court judgment, where Grameenphone has clarified its position and submitted a supplementary position paper on 6 April 2020. We continue to maintain support for a competition framework, which is consistent with all applicable laws of the land, international best practices, and does not restrict an entity's ability to grow, innovate, or invest further. We have ongoing dialogues on Tower Co. licensing. In March 2020, BTRC has imposed a complete agreement in place of service level agreement on MNOs which is in consistent with the Tower Co. guidelines. Grameenphone has also re-initiated the bilateral discussions with all Tower Cos to conclude on the final agreement and is constructively engaging with MoPT and the BTRC to ensure competitive tower sharing in Bangladesh. We believe that an agreement between tower co and Grameenphone made on commercial terms will benefit both customers and the industry.

I will take a pause here and I will invite our Chief Financial Officer, Jens Becker, to talk about our financial performance in Quarter-1.

Jens Becker: Thank you, Azman. Let us start with a short overview of the key KPIs. Regarding subscription and traffic revenue, our growth momentum in Quarter-1 has been impacted by the continued restrictions on NOCs and number series scarcity until the second week of March as well as the general holidays which were declared from 26th of March. For the quarter, we achieved a 4.1% year-on-year growth, which was mainly driven by a 24.6% growth in data revenue. EBITDA grew by 4.8% and resulted in a margin of 63.2%. The moving

average of the last four quarters saw Capex/Sales ratio of 7%. On a stand alone basis of this quarter, the Capex/Sales ratio stood at 1.1% only, due to the restrictions on the NOCs. And the Earnings Per Share for the quarter stood at 7.92 BDT. Turning to the subscribers' side, our subscriber base for the quarter was at 75.3 million with a marginal increase of 1.7% against last year. The subscriber acquisition in this quarter was adversely impacted by the number series scarcity resulting in 1.1 million negative net adds during the quarter and 2.5 million lower net adds compared to last year where we had 1.3 million net adds in Quarter-1 2019. With this 1.1 million negative net adds, our subscriber market share decreased by 0.5 percentage points from last quarter to 45.7% as of February 2020. Regarding 4G population coverage, we reached 75.4% reflecting a 0.9 percentage point increase from last quarter. Talking about the revenue now. On total revenue, we posted 36.2 billion BDT for Quarter-1, reflecting a 3.7% year-on-year growth mainly driven by 4.1% growth in subscription and traffic revenue, partly offset by lower other revenues, mainly from interconnection device and infrastructure sharing, while on a daily basis, subscription and traffic revenue increased by 3%. The growth of 1.3 billion BDT in subscription and traffic revenue was mainly driven by 1.7 billion BDT growth in data and partly offset by lower voice revenue of -0.5 billion BDT. The growth in data revenue is attributable to the continued drive on 4G conversion along with data usage drive through relevant and competitive data offers for our subscribers. The voice revenue was negatively impacted by the prolonged winter, lower net adds due to the number series scarcity and general holidays triggered by Covid-19. Going a bit details on the data revenue: on the data revenue, we reached 8.5 billion BDT at this quarter showing a 24.6% growth driven by 16.1% increase in data ARPU. With our continued focus on the 4G conversion, 4G data usage increased by 7.4 million and with this, more than doubled against last year. Total data usage for the quarter stood at 40.4 million, reflecting a 5.7% increase from last year. Nevertheless, the data user acquisition in this quarter was as well negatively impacted by number series scarcity and delayed network capacity extension due to the unavailability of NOCs resulting in 0.2 million decrease in data users in last quarter, means Quarter-4 2019. On the service ARPU, we remain stable in combination of higher contribution from data and lower contribution from voice and interconnect. The higher contribution from data ARPU, as I mentioned before, was mainly driven by the continued 4G conversion. In order to provide our subscribers better value under the Covid-19 situation, GP launched several data offers including 100% bonus on selected data packs, monthly data packs with competitive price and combo packs with voice and data with relevant volume for our subscribers. The 16.1% year-on-year growth on data ARPU came as a combination of 56.9% increase in Average Megabyte Per User and 26% decrease in Average Price Per Megabyte. Against last quarter, Average Price Per Megabyte was lower by 7.8%. on the voice side, the ARPU was negatively impacted by the prolonged winter and the declared general holidays and was lower by 5.7% mainly driven by a 2.8% fall in outgoing Average Minutes Per User and a 3% fall in Average Price Per Minute. Turning to EBITDA and Opex development: our EBITDA development was helped by an efficient Opex management leading to a year-on-year 4.8% EBITDA growth against 3.7% growth in total revenue. The Opex for the quarter stood at 11.1 billion reflecting a flat development year-on-year. With this continuous focus on Opex efficiency, Opex to Sales ratio improved by 1.1 percentage points to 30.8% with a 31.8% in Quarter-1, 2019. The EBITDA margin therefore improved by 0.7 percentage points

from Quarter-1, 2019 ending at 63.2%. coming to the Capex. In Quarter-1 2020, we had with 0.4 billion BDT, a significantly lower Capex due to the continued regulatory restrictions until late March. With this, Capex/Sales ratio for the stand alone quarter stood at 1.1% only, which is significantly lower due to the aforementioned restrictions. Nevertheless, GP wants to further continue its focus on the 4G rollout and strengthening the existing network for data capacity enhancement and expansion of coverage in order to give our customers superior experience in greater value. Regarding the network expansion in Quarter-1 this year and due to the restrictions, GP was only able to rollout 197 4G sites and 34 3G sites. The number of 4G sites crossed 10,219 at the end of Quarter-1 of this year. On the net profit side, GP reached 10.7 billion BDT reflecting a growth of 25.8% whereas last year resulting from a combination of growth in EBITDA, significant FX gain and prior periods' one-off adjustments. The Earnings Per Share stood at 7.92 BDT. Turning to Operating Cash Flow: the Operating Cash Flow of 22.5 billion BDT was 4.8 billion higher this quarter compared to last year, mainly due to the significantly lower Capex of 3.8 billion and to a lower extent to the 1 billion growth in EBITDA. Net debt stood at -3.4 billion reflecting a 0.5 billion increase in net debt from Quarter-4 2019, mainly due to 0.4 billion lower cash balance excluding the restricted cash. For the national exchequer, the contribution we had in Quarter-1 was 24.6 billion BDT equaling 68% of revenue, not including the 10 billion deposit payment that we made to BTRC. Having said this, I would like to invite Azman back to the presentation.

Yasir Azman: Thank you, Jens. In between this, all the challenges that we have highlighted at the beginning of our presentation, our strategic ambitions will remain on growth while strengthening our 4G experience for our customers and reviving our voice. Through structural change initiatives, modernization in distribution and technology, we intend to continue improving our EBITDA. As we continue to monitor the situation in Bangladesh around Covid-19, we will draw our strength from our technology expertise and continue to support the government in battling this pandemic. We are fully committed to contributing to the society. I thank you all for your listening and I hope we all together pass this difficult time by maintaining social distance and taking care of our society. Thank you.