



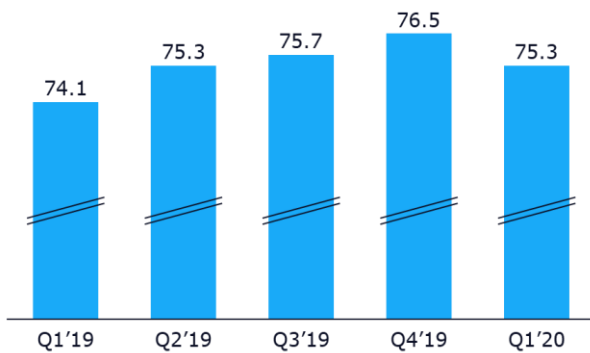
Grameenphone Ltd.: C-31531(652)/96 1st Quarter 2020 Business Highlights

Reduced growth momentum due to an increasingly challenging environment

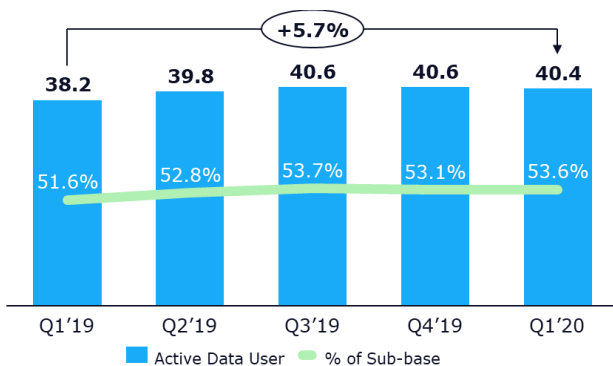
Grameenphone Ltd. (GP) reported 3.7% (YoY) total revenue growth and 4.1% (YoY) subscription & traffic revenue (excluding interconnection) growth. Data revenue grew by 24.6% (YoY) while total subscriber decreased by 0.6 Mn in the first two months of 2020. NPAT for the quarter was BDT 10.7 Bn.

Grameenphone experienced a reduced growth momentum in the first quarter of 2020 due to an increasingly challenging environment.

The regulator continued their restriction on issuing NOCs until the end of March despite a court ordered injunction won by Grameenphone and a deposit of BDT 10 Bn paid to the regulator at the instruction of the Hon'ble Appellate Division.



Grameenphone experienced a negative net add of 0.6 million customers, ending the period with 75.8 million subscribers. 53.6% of our total subscriber base are now using our internet services.



The number of data subscribers increased by 5.7% to 40.4 Mn YoY. APPMB declined from last quarter by 7.8% to 0.03. Data ARPU grew by 7.2% QoQ and 17.9% from the same period last year.

At the end of the quarter we reported 14.2 million 4G users. We added 197 4G/LTE sites during the first quarter, covering 75.4% of the population.

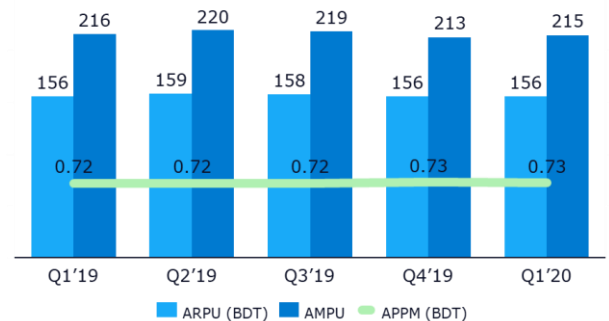
Financial Updates: Strong growth in data revenue

Grameenphone reported revenues of BDT 36.2 Bn, a 3.7% growth from the same period last year. Subscription and traffic revenue excluding interconnection grew by 3.0% mainly contributed by growth in data revenue.

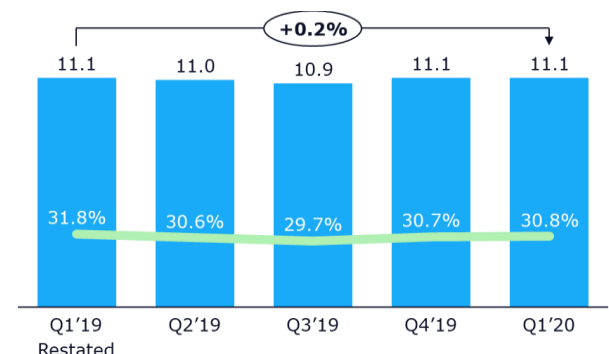
Data revenue grew by 24.6% from the same period last year, driven by 5.7% increase in data users and 17.9% growth in data ARPU.

Service ARPU, AMPU, APPM and AMBPU

Service ARPU remained steady at BDT 156 as a result of higher contribution from data and lower contribution from voice and interconnect. Data ARPU grew by 16.1% YoY in combination of 56.9% increase in AMBPU and 26.0% decreases in APPMB.



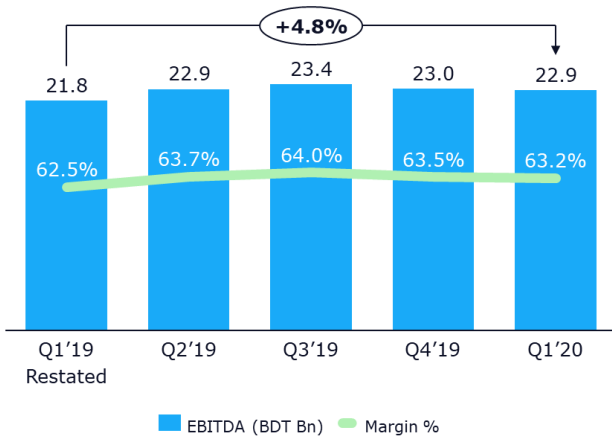
Operating expenses for the first quarter stood at BDT 11.1 Bn; remaining flat YoY. With continued focus on opex efficiency, opex to sales ratio improved by 1.1 pp to 30.8%.



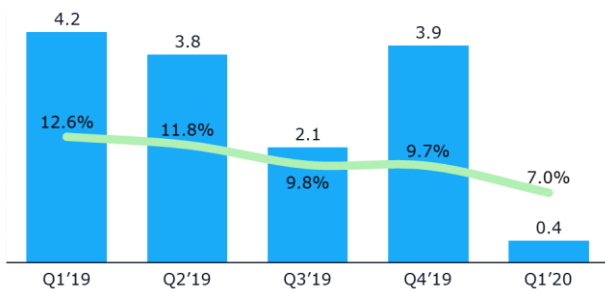


Grameenphone Ltd.: C-31531(652)/96

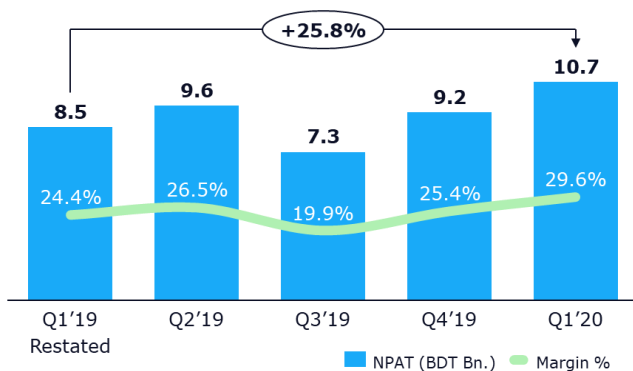
1st Quarter 2020 Business Highlights



During the quarter we added 197 sites to our 4G network, reaching 10,219 total 4G/LTE sites. The total number of sites stand at 16,542.



Net profit was positively impacted by 25.8% in combination of growth in EBITDA, FX gain, and prior periods' one-off adjustments.



Operating cash flow (EBITDA-IAS17-restated, minus Capex) for the quarter stood at BDT 22.5 Bn with margin of 62.1%.

Grameenphone's assets at the end of the quarter stands at 147.6 Bn. Net debt to EBITDA stands at -0.04.

Regulatory Updates:

BTRC Audit

- Regarding the latest 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. Following the said verbal order, Grameenphone deposited the money on 23 February 2020 and booked the deposit as a non-current receivables as disclosed in Note 8 of the Financial Statements. On 24 February 2020 the Hon'ble AD directed GP 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. Further, the Hon'ble AD also directed BTRC to allow GP to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order. On the same day, the Hon'ble HCD adjourned the hearing of the Appeal against the District Court's injunction rejection order till 31 May 2020.
- 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.
- After depositing BDT 10 Bn, Grameenphone met with BTRC representatives in several occasions for release of NOC (No Objection Certificate) for equipment import and to address the number (new and recycle) crisis issue. Grameenphone pursued for 7.9 Mn recycle number and allocation of new numbers from "013" prefix/series. BTRC has consented for recycling of 7.9 Mn number. 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. However, after receiving the court order, BTRC started releasing NOC in phases and Grameenphone expects BTRC to release remaining NOCs in gradual manner.

(Continued)



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SMP Regulation

- SMP 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 (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.

Tower Co. Licensing Regime

- In March 2020, BTRC has imposed a complete agreement in place of service level agreement on MNOs which is inconsistent with the Tower Co guidelines.
- Grameenphone has also re-initiated the bilateral discussions with all TowerCos 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 towerco and GP made on commercial terms will benefit both customers and the industry.