



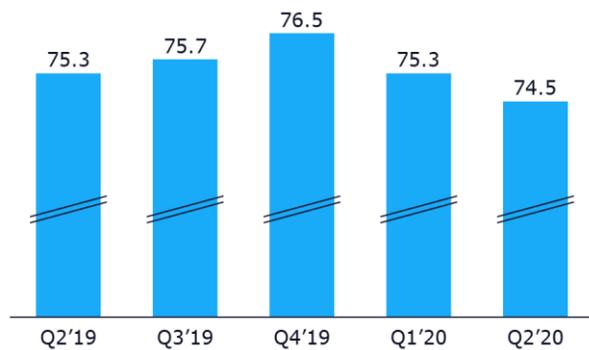
Grameenphone Ltd.: C-31531(652)/96 2nd Quarter 2020 Business Highlights

Revenue de-growth due to COVID-19

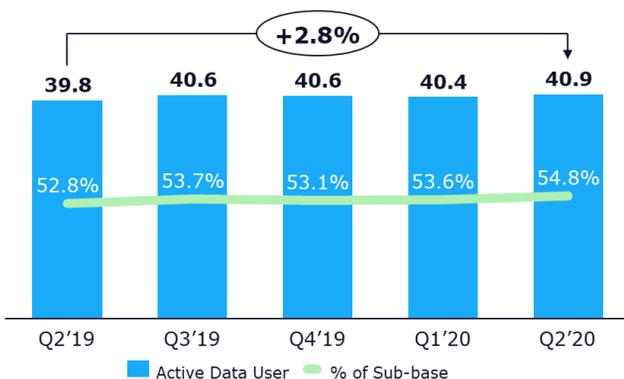
Grameenphone Ltd. (GP) reported a de-growth of 8.2% (YoY) in total revenue and a de-growth of 8.1% (YoY) in subscription & traffic revenue (excluding interconnection) for the second quarter of 2020. Data revenue grew by 16.7% (YoY) while total subscriber decreased by 0.8 Mn for the same period. NPAT for the quarter was BDT 7.3 Bn.

Grameenphone experienced a de-growth in subscription and traffic revenues in the second quarter of 2020 due to the general holidays through April-May owing to the COVID-19 situation in Bangladesh.

The Finance Budget increased supplementary duty from 10% to 15% effective from 11th June'20. The BTRC issued SMP directives which came into effect in July.



The operator ended the quarter with 74.5 Mn subscribers, registering a decrease of 1.1% customers from the previous quarter.



The number of data subscribers increased by 0.5 Mn to 40.8 Mn at the end of the quarter, registering a growth of 2.8% YoY. APPMB declined from last quarter by 16.7% to 0.03. Data ARPU grew by 13.6% to BDT 68 from the same period last year.

During the quarter Grameenphone added 0.9 Mn new 4G data users, ending the quarter with 15.2 million 4G users. The operator also added 132 new 4G/LTE sites, covering 77.1% of the population.

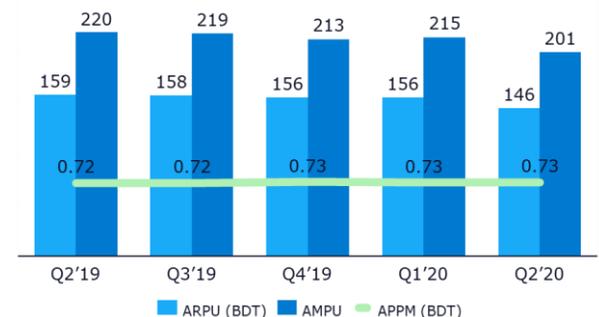
Financial Updates: De-growth in STR due to general holidays

Grameenphone reported revenues of BDT 33.1 Bn, an 8.2% de-growth YoY. Subscription and traffic revenue excluding interconnection declined by 8.1% from the same period last year, driven by the COVID-19 situation in Bangladesh.

Data revenue grew by 16.7% YoY, driven by growth in data ARPU of 11.7% and increase in data users of 2.8% from the same period last year.

Service ARPU, AMPU, APPM and AMBPU

Service ARPU decline to BDT 146 due to de-growth in voice in combination of lower APPM and AMPU. This is driven by the general holidays declared by the government as a measure to prevent the spread of COVID-19 and increase of supplementary duty to 15%.



Operating expenses for the second quarter stood at BDT 10.3 Bn; a reduction of 6.7% YoY. With continued focus on opex efficiency, opex to sales ratio improved to 31.1%.

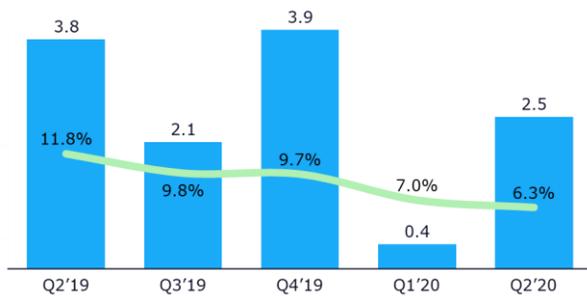




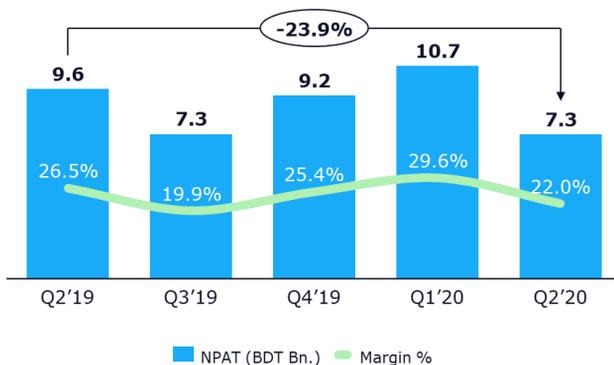
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During the quarter Grameenphone added 132 sites to their 4G network, reaching 10,351 total 4G/LTE sites. The total number of sites stand at 16,557.



Net profit was negatively impacted by 23.9% in combination of lower revenues, lower EBITDA, modernization costs and higher finance costs.



Operating cash flow for the quarter stood at BDT 18.1 Bn with margin of 54.8%, the de-growth is mainly driven by lower EBITDA and Capex.

Grameenphone's assets at the end of the quarter stands at 154.7 Bn. Net debt to EBITDA stands at 0.01.

Regulatory Updates:

SMP Regulation

BTRC has issued SMP directives for the third time on 21st June imposing i) asymmetric MNP lock-in period and ii) asymmetric approval process for all campaigns, packages & services effective from 1st July. On 28th June, BTRC has also issued a fourth SMP directive imposing asymmetric interconnection charge (BDT 0.07/Min VS BDT 0.10/Min), effective from 16th July .

On 24th June, GP wrote to BTRC requesting to review its latest directives and filed a writ Petition on 28th June getting no response from BTRC side since then. However, on 30th June , BTRC responded to GP's letter.

On 1st July GP sent a letter to BTRC informing that GP disagrees with BTRC's rationale, however, that GP would comply with BTRC's directives under protest and without prejudice to its rights under law. GP intends to work with BTRC so that the emergent SMP regime is anchored in the principles of the market-based competition and global best practices. On 2nd July GP appraised BTRC of the execution status of MNP lock-in period directives and on 6th July GP submitted for non-prosecution of the Writ Petition in the virtual bench of the HCD and the virtual court ordered the Writ Petition to be out of the hearing list.

BTRC Audit

GP has been pursuing to resolve Audit dispute with BTRC in two tracks: either through legal proceedings or finding an amicable resolution through a transparent process. The original Title suit is now pending at the District Court and the next hearing date is fixed on 21st July for reply of BTRC and Auditor. Due to limited operation of the Courts for Covid-19 situation no hearing took place neither in the Appeal at High Court Division (HCD) nor in the Review Petition at Appellate Division (AD) on 31st May which was due after GP had deposited the remainder BDT 10 Bn as per court's direction. BTRC has continued to broadly comply with the order by gradually withdrawing operational restrictions.

Tower Co. Licensing Regime

The tower co regime is still not functional. However we are in a continuous dialogue with Tower Cos and the BTRC.