Quarterly Financial Report
2nd Quarter, 2019
Michael Patrick Foley, CEO
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Highlights

10.6% YoY Revenue Growth

1.6 Mn New Data Subscribers

4G/LTE Network Rollout

Policy & Regulation Impact
Strong business performance driven by growth in voice and data

**NETWORK ROLLOUT**
- 1560 4G sites rolled out
- Improved network resilience
- Capacity expansion

**CONTINUED GROWTH**
- Voice Portfolio Revision
- Ramadan, Eid & World Cup
- 2 GB 3 Days @ BDT 54

**POLICY & REGULATIONS**
- Supplementary Duty increased from 5% to 10%
- SIM Tax revised to BDT 200
- Smartphone Customs Duty increased from 10% to 25%
Reached 8.4 Mn active 4G data users

- 7400+ LTE Sites
- 62% 4G Devices with 4G SIMs
- 39.8 Mn data customers
- 48% of daily traffic on 4G

Q2 2019
Regulatory Landscape

- BTRC Audit
- SMP Regulations
- Tower Co Licensing
GP has discovered some erroneous omissions with regards to sales, marketing and commission payments and associated costs relating to non-deductible expenses for prior periods. As a consequence, its sales, marketing and commission expenses and associated non-deductible costs were understated. The errors have been corrected by restating each of the affected financial statements line items as per IAS 8.

The followings are the impacts on GP’s prior year’s financial statements:

- Retained earnings decreased by BDT 3.73Bn as at 1 January 2018.
- Profit after tax decreased by BDT 1.8Bn for the year 2018.
EBITDA growth driven by revenue

13.4% YoY Growth in Subscription and Traffic Revenue*

61.4% EBITDA Margin**

11.8% Capex/Sales***

7.07 Earnings Per Share

*Revenues generated by own subscription (excludes interconnection)
**As per IAS 17, restated
***Capex excluding license fees; Capex/sales = moving average last 4 quarters

Q2 2019
13.4% YoY growth in subscription & traffic revenue

Revenue (BDT Bn) and Growth (YoY)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (BDT Bn)</th>
<th>Year Over Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'18</td>
<td>32.6</td>
<td>0.5%</td>
</tr>
<tr>
<td>Q3'18</td>
<td>34.3</td>
<td>3.4%</td>
</tr>
<tr>
<td>Q4'18</td>
<td>34.7</td>
<td>7.7%</td>
</tr>
<tr>
<td>Q1'19</td>
<td>34.9</td>
<td>11.6%</td>
</tr>
<tr>
<td>Q2'19</td>
<td>36.0</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

DSTR* (BDT Mn) and Growth (YoY)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>DSTR (BDT Mn)</th>
<th>Year Over Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'18</td>
<td>328</td>
<td>3.3%</td>
</tr>
<tr>
<td>Q3'18</td>
<td>348</td>
<td>7.6%</td>
</tr>
<tr>
<td>Q4'18</td>
<td>353</td>
<td>11.3%</td>
</tr>
<tr>
<td>Q1'19</td>
<td>364</td>
<td>14.2%</td>
</tr>
<tr>
<td>Q2'19</td>
<td>372</td>
<td>13.4%</td>
</tr>
</tbody>
</table>

- 10.6% YoY growth in total revenue
- 14.8% YoY growth in voice revenue driven by 8.9% growth in subscriber base

Q2 2019

*Daily revenues generated by own subscription (excludes interconnection)
15.2% data subscriber and 79.7% data volume growth

Data Revenue (BDT Bn) and % of Service Revenue*

- 18.1% YoY data revenue growth driven by 15.2% growth in data users

Active Data Users** (Mn) and % of Sub-base

- Drive on 4G conversion and network expansion contributing to user growth and experience

[Graphs showing Data Revenue and Active Data Users for Q2'18 to Q2'19]
1.7% service ARPU growth and 2.4% data ARPU growth from same quarter last year

**Service ARPU, AMPU and APPM**

- Higher contribution from voice and data, partly offset by lower interconnect revenue
- 1.7% service ARPU growth QoQ

**Data ARPU, AMBPU and APPMB**

- 55.9% YoY growth in AMBPU
- APPMB declined by 34.3% YoY mainly due to competitive offers
BDT 2.6 Bn EBITDA growth driven by higher gross profit

### Opex (BDT Bn) and Margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2'18</th>
<th>Q3'18</th>
<th>Q4'18</th>
<th>Q1'19</th>
<th>Q2'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opex (BDT Bn Restated)</td>
<td>11.4</td>
<td>11.4</td>
<td>11.2</td>
<td>11.9</td>
<td>11.8</td>
</tr>
<tr>
<td>Margin %</td>
<td>34.9%</td>
<td>33.3%</td>
<td>32.4%</td>
<td>34.2%</td>
<td>32.8%</td>
</tr>
</tbody>
</table>

+3.8% YoY

-0.8% QoQ

### EBITDA* (BDT Bn) and Margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2'18</th>
<th>Q3'18</th>
<th>Q4'18</th>
<th>Q1'19</th>
<th>Q2'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA BOI (Restated)</td>
<td>19.5</td>
<td>21.1</td>
<td>21.5</td>
<td>21.0</td>
<td>22.1</td>
</tr>
<tr>
<td>Margin % (Restated)</td>
<td>59.7%</td>
<td>61.3%</td>
<td>61.8%</td>
<td>60.2%</td>
<td>61.4%</td>
</tr>
</tbody>
</table>

+13.5% YoY

+5.3% QoQ

*EBITDA before other items

**As per IAS 17, restated

Q2 2019
Investment mainly on network modernization and 2G/3G/LTE site rollout

- 1560 new 4G sites rollout along with network modernization
- 243 3G sites addition
- Total number of sites stand at 16,176; 4G – 7,495
- Investment to continue to provide superior network experience

*Capex (BDT Bn) and Capex/Sales%*
Normalized earnings growth of 25.1%

NPAT (BDT Bn) and Margin*  

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NPAT (BDT Bn)</th>
<th>Margin %</th>
<th>YoY</th>
<th>QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'18</td>
<td>10.4</td>
<td>31.9%</td>
<td>-8.1%</td>
<td>+12.4%</td>
</tr>
<tr>
<td>Q3'18</td>
<td>8.4</td>
<td>24.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4'18</td>
<td>8.6</td>
<td>24.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1'19</td>
<td>8.5</td>
<td>24.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2'19</td>
<td>9.6</td>
<td>26.5%</td>
<td></td>
<td></td>
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</tbody>
</table>

Earnings Per Share (BDT)*  

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Earnings Per Share (BDT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'18</td>
<td>7.70</td>
</tr>
<tr>
<td>Q3'18</td>
<td>6.25</td>
</tr>
<tr>
<td>Q4'18</td>
<td>6.36</td>
</tr>
<tr>
<td>Q1'19</td>
<td>6.29</td>
</tr>
<tr>
<td>Q2'19</td>
<td>7.07</td>
</tr>
</tbody>
</table>

-8.1% YoY +12.4% QoQ

- One-off impact of tax reversal of BDT 2.8Bn in Q2'18

*On reported basis, restated
BDT 18.4 Bn OCF and Net debt/EBITDA of 0.09

*OCF (BDT Bn) and OCF/Sales%

Net debt (BDT Bn) and Net debt/EBITDA**

*OCF equals EBITDA minus Capex (excluding license) as per IAS17
**Net Debt = Short term debt + Long term debt - Cash and Cash equivalents
12 months rolling restated EBITDA

Q2 2019
### Investment & Payment to the Bangladesh Economy

#### Investment BDT Bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment BDT Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>19.3</td>
</tr>
<tr>
<td>2016</td>
<td>21.1</td>
</tr>
<tr>
<td>2017</td>
<td>14.5</td>
</tr>
<tr>
<td>2018</td>
<td>34.0</td>
</tr>
<tr>
<td>1H 2019</td>
<td>7.9</td>
</tr>
</tbody>
</table>

#### Payment to National Exchequer BDT Bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment to National Exchequer BDT Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>51.1</td>
</tr>
<tr>
<td>2016</td>
<td>58.6</td>
</tr>
<tr>
<td>2017</td>
<td>61.8</td>
</tr>
<tr>
<td>2018</td>
<td>71.5</td>
</tr>
<tr>
<td>1H 2019</td>
<td>40.9</td>
</tr>
</tbody>
</table>

- BDT 40.9 Bn (58% of revenues) contributed to exchequer in the first half of 2019
- Contribution includes in the form of taxes, VAT, duties, fees, *4G license & spectrum assignment
Recommended 90% of PuC cash interim dividend for 2019

- BDT 13.37
  Earnings Per Share
  2019
- BDT 9.00
  Dividend Per Share
  2019 (interim)
- 67%
  Payout Ratio
  2019 (interim)

- Shareholders as of the record date 04 August 2019 will be entitled
Summary

Strong organic business performance in a challenging environment

EBITDA growth driven by revenue with strong margins

Building strong data network enabling personalization remains our focus for future growth & efficiency

*In consideration of the local regulations, Grameenphone Ltd. does not provide any forward looking statements.