

Emirates Telecommunications Group Company PJSC

Review reports and condensed consolidated interim financial information

for the six month period ended 30 June 2021

Emirates Telecommunications Group Company PJSC

Review reports and condensed consolidated interim financial information for the six month period ended 30 June 2021

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Emirates Telecommunications Group Company PJSC

Management report on the condensed consolidated interim financial information for the six month period ended 30 June 2021

Financial Review

1. Revenue, profit and earnings per share

The Group's financial performance for the six month period ended 30 June 2021 is summarised below:

i) Consolidated revenue amounted to AED 26,435 million, representing an increase of AED 830 million (3.2 %) compared to the corresponding period in the prior year.

ii) Profit attributable to the Owners of the Company amounted to AED 4,745 million, representing an increase of AED 179 million (3.9 %) when compared to the corresponding period in the prior year.

iii) Earnings per share from continuing operations increased by AED 0.02 when compared to the corresponding period in the prior year.

2. Net assets

As compared to 31 December 2020, the Group's net assets decreased by AED 2,192 million to AED 58,358 million as at 30 June 2021.

3. Capital expenditure

The Group incurred AED 2,698 million capital expenditure in the six month period ended 30 June 2021 (AED 2,607 million in the six month period ended 30 June 2020).

4. Dividends

A final dividend for the year 2020 at the rate of AED 0.40 per share was approved for distribution to the shareholders registered at the close of business on 31 March 2021. In addition a one-time special dividend of AED 0.40 per share was also approved. This brought the total dividend for the year 2020 to AED 1.20 per share.

On 29 July 2021, the Board of Directors declared the first interim dividend for the year 2021 at the rate of AED 0.40 per share.



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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders of the Emirates Telecommunications Group Company PJSC

Introduction

We have reviewed the accompanying 30 June 2021 condensed consolidated interim financial information of Emirates Telecommunications Group Company PJSC ("the Company") and its subsidiaries (together referred to as "the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2021;
- the condensed consolidated interim statement of profit or loss for the three month and six month periods ended 30 June 2021;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three month and six month periods ended 30 June 2021;
- the condensed consolidated interim statement of changes in equity for the six month period ended 30 June 2021;
- the condensed consolidated interim statement of cash flows for the six month period ended 30 June 2021; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

A handwritten signature in black ink, appearing to read 'Richard Ackland'.

Richard Ackland
Registration No.: 1015
Abu Dhabi, United Arab Emirates
Date: 29 July 2021

Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of profit or loss for the period

	Note	(Reviewed)			
		Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
		AED'000	AED'000	AED'000	AED'000
Continuing operations					
Revenue	4	13,215,717	12,492,097	26,435,451	25,605,542
Operating expenses	5	(8,352,986)	(7,454,399)	(16,704,441)	(15,482,166)
Impairment loss on trade receivables and contract assets		(246,679)	(329,188)	(428,822)	(683,228)
Impairment reversal / (loss) on other assets and other losses (net)		154	24	(112)	(72)
Share of results of associates and joint ventures		68,455	49,136	129,935	79,848
Operating profit before federal royalty		4,684,661	4,757,670	9,432,011	9,519,924
Federal royalty	5	(1,416,099)	(1,508,932)	(2,802,790)	(2,964,109)
Operating profit		3,268,562	3,248,738	6,629,221	6,555,815
Finance and other income		283,899	354,542	484,956	445,386
Finance and other costs		(202,324)	(835,229)	(576,156)	(1,340,548)
Profit before tax		3,350,137	2,768,051	6,538,021	5,660,653
Income tax expenses		(530,114)	(238,610)	(896,759)	(596,312)
Profit for the period		2,820,023	2,529,441	5,641,262	5,064,341
Profit attributable to:					
Owners of the Company		2,395,177	2,387,832	4,745,159	4,566,448
Non-controlling interests		424,846	141,609	896,103	497,893
		2,820,023	2,529,441	5,641,262	5,064,341
Earnings per share					
Basic and diluted	7	AED 0.28	AED 0.27	AED 0.55	AED 0.53

The accompanying notes on pages 9 to 23 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of profit or loss and other comprehensive income for the period

	Note	(Reviewed)			
		Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
		AED'000	AED'000	AED'000	AED'000
Profit for the period		2,820,023	2,529,441	5,641,262	5,064,341
Other comprehensive (loss) / income					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit obligation - net of tax		(8,125)	22,778	(38,016)	28,275
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		276,536	287,177	(7,326)	(595,027)
(Loss) / gain on net investment hedge during the period	17	(199,051)	(205,186)	282,559	177,529
Fair value gain / (loss) arising on cash flow hedges during the period		7,698	(18,396)	45,800	(101,701)
Gain / (loss) on revaluation of financial assets during the period		4,041	(835)	(2,450)	(6,185)
Total other comprehensive income / (loss)		81,099	85,538	280,567	(497,109)
Total comprehensive income for the period		2,901,122	2,614,979	5,921,829	4,567,232
Total comprehensive income attributable to:					
Owners of the Company		2,479,586	2,439,212	5,057,189	4,417,707
Non-controlling interests		421,536	175,767	864,640	149,525
		2,901,122	2,614,979	5,921,829	4,567,232

The accompanying notes on pages 9 to 23 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

Emirates Telecommunications Group Company PJSC
Condensed consolidated interim statement of financial position

		(Reviewed)	(Audited)
		30 June	31 December
		2021	2020
	Notes	AED'000	AED'000
Non-current assets			
Goodwill and other intangible assets	8	25,729,140	26,276,442
Property, plant and equipment	9	45,167,715	45,803,436
Right-of-use assets	21	2,568,656	2,700,102
Investments in associates and joint ventures		4,270,510	4,250,007
Other investments		3,225,155	3,160,512
Other receivables	10	474,020	343,459
Lease receivables		148,821	159,535
Contract assets		473,898	450,242
Deferred tax assets		176,411	175,489
		82,234,326	83,319,224
Current assets			
Inventories		722,732	704,908
Trade and other receivables	10	15,455,849	14,572,812
Current income tax assets		670,138	630,896
Other investments		267,723	1,074,823
Due from related parties	15	214,329	75,300
Contract assets		1,387,942	1,295,065
Cash and bank balances	11	24,280,212	31,344,883
		42,998,925	49,698,687
Total assets		125,233,251	133,017,911
Non-current liabilities			
Other payables	12	1,332,606	1,407,792
Borrowings	16	17,754,171	13,819,946
Payables related to investments and licenses		90,838	73,155
Derivative financial instruments	17	4,088	16,027
Deferred tax liabilities		2,392,523	2,540,592
Lease liabilities	22	2,143,515	2,211,130
Provisions		350,577	345,572
Provision for employees' end of service benefits	20	1,261,073	1,194,993
Contract liabilities		33,569	30,885
		25,362,960	21,640,092
Current liabilities			
Trade and other payables	12	25,899,707	29,040,664
Contract liabilities		3,170,072	3,055,458
Borrowings	16	6,724,022	12,881,074
Payables related to investments and licenses		12,369	11,022
Current income tax liabilities		292,650	278,074
Lease liabilities	22	550,819	573,748
Provisions		4,657,631	4,652,246
Provision for employees' end of service benefits	20	104,510	102,376
Derivative financial instruments	17	95,657	149,053
Due to related parties	15	5,332	84,083
		41,512,769	50,827,798
Total liabilities		66,875,729	72,467,890
Net assets		58,357,522	60,550,021
Equity			
Share capital	23	8,696,754	8,696,754
Reserves		28,730,927	28,400,580
Retained earnings		9,708,128	11,936,605
Equity attributable to the owners of the Company		47,135,809	49,033,939
Non-controlling interests		11,221,713	11,516,082
Total equity		58,357,522	60,550,021

To the best of our knowledge, the financial information included in this condensed consolidated interim financial information presents fairly, in all material respects, the financial position, results of operations and cash flows of the Group as of, and for, the periods presented therein.

The accompanying notes on pages 9 to 23 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of changes in equity for the six month period ended 30 June 2021 (Reviewed)

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Notes	Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Owners' equity AED'000	AED'000		
Balance at 1 January 2020		8,696,754	27,812,896	10,101,659	46,611,309	11,155,790	57,767,099	
Profit for the period		-	-	4,566,448	4,566,448	497,893	5,064,341	
Other comprehensive (loss) / income for the period		-	(177,016)	28,275	(148,741)	(348,368)	(497,109)	
Other movements in equity		-	-	963	963	2,722	3,685	
<i>Transaction with owners of the Company:</i>								
Dividends	6	-	-	(5,650,447)	(5,650,447)	(1,342,980)	(6,993,427)	
Balance at 30 June 2020		8,696,754	27,635,880	9,046,898	45,379,532	9,965,057	55,344,589	
Balance at 1 January 2021		8,696,754	28,400,580	11,936,605	49,033,939	11,516,082	60,550,021	
Profit for the period		-	-	4,745,159	4,745,159	896,103	5,641,262	
Other comprehensive income / (loss) for the period		-	329,846	(17,816)	312,030	(31,463)	280,567	
Other movements in equity		-	501	(1,424)	(923)	(1,549)	(2,472)	
<i>Transaction with owners of the Company:</i>								
Repayment of advances to non-controlling interests		-	-	-	-	(66,309)	(66,309)	
Dividends	6	-	-	(6,954,396)	(6,954,396)	(1,091,151)	(8,045,547)	
Balance at 30 June 2021		8,696,754	28,730,927	9,708,128	47,135,809	11,221,713	58,357,522	

The accompanying notes on pages 9 to 23 form an integral part of the condensed consolidated interim financial information.
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Emirates Telecommunications Group Company PJSC

Condensed consolidated interim statement of cash flows for the six month period ended 30 June 2021

	Note	(Reviewed)	
		Six-months ended 30 June	
		2021	2020
		AED'000	AED'000
Operating profit		6,629,221	6,555,815
<i>Adjustments for:</i>			
Depreciation		3,095,444	2,990,459
Amortisation		914,920	810,705
Impairment loss on other assets and other losses (net)		112	72
Share of results of associates and joint ventures		(129,935)	(79,848)
Provisions and allowances		125,141	(1,156,671)
Unrealised currency translation (gain) / loss		(409,736)	69,087
Operating cash flows before changes in working capital		10,225,167	9,189,619
<i>Changes in:</i>			
Inventories		(16,632)	44,930
Due from related parties		(139,029)	6,887
Trade and other receivables		(993,859)	(457,260)
Trade and other payables		(3,964,934)	(4,189,423)
Cash generated from operations		5,110,713	4,594,753
Income taxes paid		(1,071,176)	(985,391)
Payment of employees' end of service benefits		(40,380)	(64,407)
Net cash generated from operating activities		3,999,157	3,544,955
Cash flows from investing activities			
Proceeds from disposal of investments at amortised cost		183,958	-
Acquisition of a subsidiary (net of cash)		-	(153,059)
Acquisition of investments classified as fair value through profit or loss		(2,206)	(143,195)
Proceeds from disposal of investments classified as fair value through profit or loss		1,061,029	185,721
Acquisition of other investments - net		(12,047)	(52,063)
Acquisition of investments at amortised cost		(467,849)	(316,068)
Proceeds from disposal / (acquisition) of investments classified as fair value through other comprehensive income - net		2,039	(2,967)
Purchase of property, plant and equipment		(2,190,373)	(2,120,097)
Proceeds from disposal of property, plant and equipment		14,891	29,594
Purchase of intangible assets		(507,158)	(487,133)
Proceeds from disposal of intangible assets		638	41,537
Dividend income received from associates and other investments		31,928	24,091
Term deposits made with maturities over three months		(8,143,570)	(8,316,022)
Term deposits matured with maturities over three months		17,031,283	20,251,787
Proceeds from unwinding of derivative financial instruments		3,413	8,834
Finance and other income received		402,016	552,851
Net cash generated from investing activities		7,407,992	9,503,811
Cash flows from financing activities			
Proceeds from borrowings		6,243,939	3,123,706
Repayments of borrowings		(8,063,853)	(2,049,974)
Payment of lease liabilities		(337,071)	(404,716)
Equity repayment to non-controlling interests for acquisition of a subsidiary		(66,309)	-
Dividends paid		(7,281,126)	(6,052,992)
Finance and other costs paid		(477,943)	(1,030,989)
Net cash used in financing activities		(9,982,363)	(6,414,965)
Net increase in cash and cash equivalents		1,424,786	6,633,801
Cash and cash equivalents at the beginning of the period		13,205,530	2,827,314
Effect of exchange rate fluctuations on cash held		392,246	93,995
Cash and cash equivalents at the end of the period	11	15,022,562	9,555,110

The accompanying notes on pages 9 to 23 form an integral part of the condensed consolidated interim financial information.
The independent auditors' review report is set out on pages 2 to 3.

1. General information

Emirates Telecommunications Group Company PJSC (“the Company”), formerly known as Emirates Telecommunications Corporation (“the Corporation”) was incorporated in the United Arab Emirates (“UAE”), with limited liability, in 1976 by UAE Federal Government decree No. 78, which was revised by the UAE Federal Act No. (1) of 1991 and further amended by Decretal Federal Code No. 3 of 2003 concerning the regulation of the telecommunications sector in the UAE. In accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Corporation to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government.

The Decree by Federal Law no. 3 of 2015 (“the New Law”) has amended certain provisions of the Federal Law No. (1) of 1991 and new articles of association of Emirates Telecommunications Group Company PJSC (the “New AoA”) have been issued. Subsequent to the New Law and the New AoA, Emirates Telecommunications Corporation has been converted from a corporation to a public joint stock company and is subject to the provisions of UAE Federal Law no. 2 of 2015 on Commercial Companies (the “Companies Law”) unless otherwise stated in the New Law or New AoA. Accordingly, the name of the corporation has been changed to Emirates Telecommunications Group Company PJSC.

Federal Decree - Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Group is in the process of reviewing the new provisions and will apply the applicable requirements thereof no later than one year from the date on which the amendments came into effect.

Under the New Law and the New AoA: i) Two types of share have been introduced, i.e. ordinary shares and one Special Share held by the Emirates Investment Authority (“the Special Shareholder”) which carries certain preferential rights related to the passing of certain decisions by the Company or the ownership of the UAE telecommunication network. ii) The minimum number of ordinary shares held by any UAE government entity in the Company has been reduced from at least 60% of the Company’s share capital to not less than 51%, unless the Special Shareholder decides otherwise. iii) Shareholders, natural or legal person, who are Non UAE National may own up to 20% of the Company’s ordinary shares, however, the shares owned by such persons / entities shall not hold any voting rights in the Company’s general assembly, although holders of such shares may attend such meeting. On 11 October 2018, the Board of Directors of Etisalat Group approved by circulation to lift the restrictions on voting rights of foreign shareholders so that they shall enjoy the same voting rights of UAE citizens. Accordingly, a special resolution was passed during the Annual General Meeting held on 20 March 2019 to that effect, all required approvals were obtained and all necessary amendments were incorporated in the New AoA to put the afore-said resolution in place. Etisalat Group’s Board of Directors, in its meeting on 20 January 2021, recommended to increase the foreign ownership limit from 20% to 49% of the Company’s share capital which was approved in Etisalat Group’s Annual General Meeting held on 17 March 2021 subject to the approval of competent authorities.

The address of the registered office of the Company is P.O. Box 3838, Abu Dhabi, United Arab Emirates. The Company’s shares are listed on the Abu Dhabi Securities Exchange.

This condensed consolidated interim financial information as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as ‘the Group’).

This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 29 July 2021.

2. Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable requirements of the UAE Federal Law No. 2 of 2015 (as amended). The information presented herein should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020. This condensed consolidated interim financial information does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Actual results may differ from these estimates and judgments. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2. Basis of preparation (continued)

This condensed consolidated interim financial information is prepared under the historical cost convention except for the revaluation of certain financial instruments and in accordance with the Group's accounting policies as described in the last annual financial statements as at and for the year ended 31 December 2020.

The accounting policies applied in the condensed consolidated financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

The condensed consolidated interim financial information is presented in UAE Dirhams (AED) which is the Company's functional and presentation currency, rounded to the nearest thousand except where otherwise indicated.

3. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended 31 December 2020.

a) New and amended standards adopted by the Group

The following revised new and amended standards have been adopted in the condensed consolidated interim financial information.

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- IFRS 16 Leases – COVID 19 Rent Concessions – Relief for Lessees

There has been no material impact on the condensed consolidated interim financial information of the Group upon adoption of the above new and amended standards.

b) New and amended standards not effective and not yet adopted by the Group

At the date of the condensed consolidated interim financial information, the following other standards, amendments and Interpretations have not been effective and have not been early adopted by the Group:

New and amended standards not effective and not yet adopted by the Group	Effective date
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 17	1 January 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2023
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Optional

These new and amended standards are not expected to have a significant impact on the Group's condensed consolidated interim financial information.

4. Segmental information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker and used to allocate resources to the segments and to assess their performance.

a) Products and services from which reportable segments derive their revenues

The Group is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the UAE. Outside of the UAE, the Group operates through its subsidiaries and associates in sixteen countries which are divided into the following operating segments:

- Morocco
- Egypt
- Pakistan
- International - others

Revenue is attributed to an operating segment based on the location of the associated companies reporting the revenue. Inter-segment sales are charged at agreed terms and prices.

The Group's share of results from associates and joint ventures has been allocated to the segments based on the geographical location of the operations of the associate and joint venture investments. The allocation is in line with how results from investments in associates and joint ventures are reported to the Group's Board of Directors ("Board of Directors").

b) Segment revenues and results

Segment results represent operating profit earned by each segment without allocation of finance income, finance costs and federal royalty. This is the measure reported to the Board of Directors for the purposes of resource allocation and assessment of segment performance.

c) Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total and non-current assets attributable to each segment. Goodwill is allocated based on separately identifiable Cash Generating Units. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

The segment information has been provided on the following page.

Emirates Telecommunications Group Company PJSC

Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

4. Segmental information (continued)

	International					Eliminations AED'000	Consolidated AED'000
	UAE AED'000	Morocco AED'000	Egypt AED'000	Pakistan AED'000	Others AED'000		
Six months ended 30 June 2021							
Revenue							
External revenue	15,361,702	3,653,484	2,335,515	1,559,391	3,525,359	-	26,435,451
Inter-segment revenue	130,298	170,922	21,528	37,956	50,136	(410,840)	-
Total revenue	15,492,000	3,824,406	2,357,043	1,597,347	3,575,495	(410,840)	26,435,451
Segment result	6,687,724	1,257,401	566,426	39,225	881,235	-	9,432,011
Federal royalty							(2,802,790)
Finance and other income							484,956
Finance and other costs							(576,156)
Profit before tax							6,538,021
Income tax expenses							(896,759)
Profit for the period							5,641,262
Total assets at 30 June 2021	65,222,362	33,309,434	10,377,766	12,247,446	18,641,980	(14,565,737)	125,233,251

Six months ended 30 June 2020

Revenue							
External revenue	15,470,605	3,593,759	1,943,176	1,402,448	3,195,554	-	25,605,542
Inter-segment revenue	104,282	231,113	27,945	44,224	36,843	(444,407)	-
Total revenue	15,574,887	3,824,872	1,971,121	1,446,672	3,232,397	(444,407)	25,605,542
Segment result	7,088,418	1,343,051	399,356	(37,528)	726,627	-	9,519,924
Federal royalty							(2,964,109)
Finance and other income							445,386
Finance and other costs							(1,340,548)
Profit before tax							5,660,653
Taxation							(596,312)
Profit for the period							5,064,341
Total assets at 31 December 2020	71,411,942	34,083,374	10,328,705	11,890,144	18,950,804	(13,647,058)	133,017,911

Breakdown of external revenue:

The following is an analysis of the Group's external revenue

Six months ended 30 June 2021							
Mobile	5,263,816	2,005,995	1,918,093	549,965	3,242,714	-	12,980,583
Fixed	5,561,414	1,402,963	143,053	750,090	244,610	-	8,102,130
Equipment	1,034,600	112,618	38,276	8,055	8,076	-	1,201,625
Others	3,501,872	131,908	236,093	251,281	29,959	-	4,151,113
Total	15,361,702	3,653,484	2,335,515	1,559,391	3,525,359	-	26,435,451
Six months ended 30 June 2020							
Mobile	5,444,880	2,129,453	1,640,101	504,999	2,915,352	-	12,634,785
Fixed	5,587,512	1,302,731	104,549	676,938	249,234	-	7,920,964
Equipment	887,394	60,837	33,917	6,148	3,653	-	991,949
Others	3,550,819	100,738	164,609	214,363	27,315	-	4,057,844
Total	15,470,605	3,593,759	1,943,176	1,402,448	3,195,554	-	25,605,542

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

5. Operating expenses and federal royalty

	Note	Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
a) Operating expenses		AED'000	AED'000	AED'000	AED'000
Direct cost of sales		3,251,982	2,932,129	6,420,750	5,965,480
Staff costs		1,149,945	1,055,275	2,355,806	2,285,067
Depreciation		1,513,955	1,445,446	3,095,444	2,990,459
Network and other related costs		705,309	627,551	1,392,166	1,267,070
Amortisation		486,603	406,171	914,920	810,705
Regulatory expenses	(i)	354,963	320,086	755,749	678,918
Marketing expenses		248,296	173,615	473,223	407,443
Consultancy cost		170,920	155,972	319,060	324,069
Operating lease rentals		11,114	9,195	21,001	18,606
IT costs		84,509	68,206	176,281	137,324
Foreign exchange (gain) / loss		24,347	(37,143)	93,852	(3,088)
Other operating expenses		351,043	297,896	686,189	600,113
Operating expenses (before federal royalty)		8,352,986	7,454,399	16,704,441	15,482,166

i) Regulatory expenses:

Regulatory expenses include ICT fund contributions required to be paid by the Company to the UAE Telecommunications Regulatory Authority (TRA) at 1% of its net regulated revenue annually.

b) Federal royalty

In accordance with the Cabinet decision No. 558/1 for the year 1991, the Company was required to pay a federal royalty, equivalent to 40% of its annual net profit before such federal royalty, to the UAE Government for use of federal facilities. With effect from 1 June 1998, Cabinet decision No. 325/28M for 1998, it was increased to 50%.

On 9 December 2012, the Cabinet of Ministers of UAE issued decision no. 320/15/23 of 2012 in respect of a new royalty mechanism applicable to the Company. Under this mechanism a distinction was made between revenue earned from services regulated by Telecommunications Regulatory Authority ("TRA") and non-regulated services as well as between foreign and local profits. The Company was required to pay 15% royalty fee on the UAE regulated revenues and 35% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues. In respect of foreign profit, the 35% royalty was reduced by the amount that the foreign profit has already been subject to foreign taxes.

On 25 February 2015, the MoF issued revised guidelines (which were received by the Company on 1 March 2015) for the computation of federal royalty for the financial years ended 31 December 2014, 2015 and 2016 (the "Guidelines"). In accordance with the Guidelines, the royalty rate for 2016 was reduced to 30% of net profit after deduction of the 15% royalty fee on the UAE regulated revenues.

On 20 February 2017, the MoF announced the federal royalty scheme to be applied on the Group for the periods 2017 to 2021 ("the new royalty scheme"). According to the new royalty scheme, the Group will pay 15% royalty fees on the UAE regulated revenue and 30% royalty fees on profit generated from regulated services after deduction of the 15% royalty fees on the UAE regulated revenue. Royalty fees on profits from international operations shall be considered only if similar fees paid in the country of origin are less than the fees that could have been imposed in the UAE. Consequent to the issuance of the new royalty scheme, clarifications were obtained and correspondences were exchanged between the Group and MoF (the "Correspondence"). The mechanism for the computation of federal royalty payable for the period ended 30 June 2021 was in accordance with the new royalty scheme and the Correspondence.

The federal royalty has been classified as an operating expense in the consolidated interim statement of profit or loss on the basis that the expenses the Company would otherwise have had to incur for the use of the federal facilities would have been classified as operating expenses.

6. Dividends

Amounts recognised as distribution to equity holders:	AED'000
Six months ended 30 June 2021	
Final dividend for the year ended 31 December 2020 of AED 0.40 per share	3,477,198
One-time special dividend for the year ended 31 December 2020 of AED 0.40 per share	3,477,198
Total amount recognised during the period as distribution to equity holders	6,954,396
Six months ended 30 June 2020	
Final dividend for the year ended 31 December 2019 of AED 0.40 per share	3,477,198
First interim dividend for the year ended 31 December 2020 of AED 0.25 per share	2,173,249
Total amount recognised during the period as distribution to equity holders	5,650,447

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

7. Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
Earnings (AED'000)				
Earnings for the purposes of basic earnings per share being the profit attributable to the owners of the Company	2,395,177	2,387,832	4,745,159	4,566,448
Number of shares ('000)				
Weighted average number of ordinary shares for the purposes of basic earnings per share	8,696,754	8,696,754	8,696,754	8,696,754
Earnings per share				
Basic and diluted	AED 0.28	AED 0.27	AED 0.55	AED 0.53

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share equals to basic earnings per share.

8. Goodwill and other intangible assets

The movement in the goodwill and other intangible assets is provided below:

	30 June 2021	31 December 2020
	AED'000	AED'000
Opening balance	26,276,442	24,966,218
Additions	507,158	1,021,819
Transfer	-	554,133
Acquisition of a subsidiary	-	164,296
Disposals	(638)	(1,998)
Amortisation and impairment losses	(930,826)	(2,060,038)
Exchange difference	(122,996)	1,632,012
Closing balance	25,729,140	26,276,442

9. Property, plant and equipment

	30 June 2021	31 December 2020
	AED'000	AED'000
Opening balance	45,803,436	45,069,729
Additions	2,190,373	6,071,561
Transfer to intangible assets	-	(554,133)
Disposals	(7,535)	(99,642)
Depreciation	(2,810,143)	(5,628,654)
Impairment (reversals) / charge - net	(112)	37,937
Acquisition of a subsidiary	-	2,586
Exchange difference	(8,304)	909,116
Other movements	-	(5,064)
Closing balance	45,167,715	45,803,436

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

10. Trade and other receivables	30 June	31 December
	2021	2020
	AED'000	AED'000
Amount receivable for services rendered	11,736,084	10,924,677
Amounts due from other telecommunication operators/carriers	2,312,937	2,211,372
Total gross carrying amount	14,049,021	13,136,049
Lifetime expected credit loss	(3,568,493)	(3,209,253)
Net trade receivables	10,480,528	9,926,796
Prepayments	956,928	583,630
Accrued income	979,744	800,326
Advances to suppliers	1,048,232	1,234,203
Indirect taxes receivable	383,576	472,280
Other receivables	2,080,861	1,899,036
Net trade and other receivables	15,929,869	14,916,271
Total trade and other receivables	15,929,869	14,916,271
of which current trade and other receivables*	15,455,849	14,572,812
of which non-current other receivables	474,020	343,459

* As of 30 June 2021, this includes an amount of AED 103,523 thousand as dividend receivable from Group's associate , Etihad Etisalat Company.

11. Cash and cash equivalents	30 June	31 December
	2021	2020
	AED'000	AED'000
Maintained in UAE	21,714,593	25,413,663
Maintained overseas, unrestricted in use	2,496,886	5,858,376
Maintained overseas, restricted in use	68,733	72,844
Cash and bank balances	24,280,212	31,344,883
Less: Deposits with maturities exceeding three months from the date of deposit	(9,257,650)	(18,139,353)
Cash and cash equivalents from continuing operations	15,022,562	13,205,530

Cash and cash equivalents comprise cash on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are denominated primarily in UAE Dirham, with financial institutions and banks. Interest is earned on these investments at prevailing market rates. The carrying amount of these assets approximates to their fair value.

12. Trade and other payables	30 June	31 December
	2021	2020
	AED'000	AED'000
Current		
Federal royalty	2,802,676	5,594,311
Trade payables	7,182,576	7,664,028
Amounts due from other telecommunication operators/carriers	2,798,496	2,575,938
Accruals	7,336,858	8,042,874
Dividend payable	779,370	17,220
Other taxes payable	2,085,812	2,118,999
Advances from customers	356,185	365,545
Deferred income	276,622	499,672
Other payables and accruals	2,281,112	2,162,077
	25,899,707	29,040,664
Non-current		
Other payables	1,332,606	1,407,792
	1,332,606	1,407,792

Emirates Telecommunications Group Company PJSC

Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

13. Contingent liabilities

(i) The Group and its associates are disputing certain charges from the governmental and telecom regulatory agencies and telecom operators in certain International jurisdictions but do not expect any material adverse effect on the Group's financial position and results from resolution of these disputes.

ii) In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on 12 June 2015 the Apex Court decided the case in the interest of pensioners.

On 13 July 2015, Review Petitions were filed in Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the "Review Petitioners") against the Supreme Court Judgment.

The Supreme Court disposed the Review Petitions and directed the Review Petitioners to seek remedy under section 12(2) of the Civil Procedure Code (the "CPC"), and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts.

The decision of the Appeals bench of the Supreme Court on 10 May 2018 clarified that voluntary separation scheme ("VSS") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. Notwithstanding this development, many retirees, including VSS pensioners, have continued to submit petitions before the Supreme Court. The Chief Justice of Pakistan has decided to bring the matter back for a rehearing by the Supreme Court.

Separately, the Islamabad High Court (IHC) issued a decision on 3 March 2020, in which it upheld the rights of certain [T&T] retirees to benefit from periodic government increases in pensions and additional benefits, although it also held that the same did not apply to the VSS pensioners.

PTCL and PTET did raise an Intra Court Appeal against the exemption granted to the [T&T] retirees before the Divisional Bench at the Islamabad High Court. On 24 September 2020, the Intra Court appeals were adjourned for consolidation of all Intra court Intra Court appeals before one bench. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET and postponed the case until 14 July 2021.

The management of PTCL, on the advice of their lawyers, believes that PTCL's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunications (Re-Organization) Act, 1996 and the Pension Trust rules of 2012 and accordingly, no provision has been recognized in this condensed consolidated interim financial information in respect of these proceedings.

iii) Pursuant to the restatement of Group's associate's, Etihad Etisalat Company (Mobily), financial statements for 2014, aggrieved shareholders filed 190 lawsuits against Mobily before the Committee for the Resolutions of Security Disputes (the "CRSD"), some of which are still being adjudicated. Most claims have been dismissed and as at 30 June 2021, there are 7 claims which remain ongoing. Total amount of remaining claims has been evaluated at SAR 225 million (or approximately USD 60 million/AED 219 million).

In addition, 86 shareholder claims totaling SAR 1.9 billion (AED 1.86 billion) have been made against the 2013/2014 members of the Mobily Board (the "Defendants") and Mobily executives (the "Executives"), and these have been filed with the CRSD. The proceedings are currently at various stages of the hearings and it is not possible at this stage to estimate the financial exposure, if any, flowing from the proceedings of the hearings.

Two of the named Defendants were nominated, by Etisalat, to the 2013/14 Mobily Board. Pursuant to such nomination, these individuals are entitled to be indemnified by Etisalat for any loss or damages due to third parties made against them.

The first substantial decision in relation to such claims was issued by the CRSD in November 2020, and subsequently upheld at the Appellate level (ACRSD) in a final and binding decision issued in late December 2020. The decision exonerated the Defendants and found former members of the Mobily executives, to have violating article 49a of the Capital Market Law.

Notwithstanding this new development, the CRSD confirmed on 28 December 2020, the launch of a class action claim against both (i) former members of the Mobily Board who were previously named as defendants in the May 2018 ACRSD final (1462) decision and (ii) former members of the Mobily executives who were named as defendants in the October 2020 ACRSD final (1997) decision. Claimants who purchased shares in Mobily after the release of its financial statement for Q2, 2013 and held onto such shares until 29 October 2014 are eligible to join in the class action claim. We understand that 35 Mobily shareholders have so far joined the class action.

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

13. Contingent liabilities (continued)

So far, about 25 shareholders claims have been dismissed by the CRSD in favour of the former Mobily board members. Total amount of claim for the last 15 dismissed claims in March /April 2021 is SAR 905 million (USD 241 million / AED 886 million).

With respect to the recent CRSD decisions, appeal proceedings were submitted in respect of 12 cases before the Appeal Committee for Resolution of Securities Disputes.

In addition to the earlier final decision issued in Q1, the ACRSD has so far affirmed in Q2, 2021, 4 appealed CRSD decisions also in favour of the former members of the Mobily board, with a total amount of claim of approx. SAR 652 million(USD 177 million / AED 638 million).

Deadline for shareholders to register into the class action claim has expired on June 4th 2021.

(iv) Etisalat Group sold its 85% holding in Zantel to Millicom in 2015. The SPA contains a Reverse Earn Out obligation under which Etisalat would be required to pay US\$15 million (the Reverse Earn Out amount) to Millicom in the event the Reverse Earn Out Period (REP) EBIDTA was not achieved in each of 12 financial quarters from 1 January 2017 to 31 Dec 2019 and provided certain other conditions relating to the management and operation of the Zantel business by Milicom were satisfied.

On 1 February 2021, Millicom commenced arbitration proceedings under the SPA by filing a Request for Arbitration under the DIFC LCIA rules, in which it claims payment of for the Reverse Earn Out amount payment. On 17 March 2021 Etisalat submitted its Response to the Request for Arbitration, in which it alleges that Millicom has breached the SPA and is not entitled to payment of the Reverse Earn Out amount. The next step in the arbitration proceedings is the submission by the defendant (Etisalat Group) of its Statement of Defense and Counterclaim.

14. Capital Commitments

The Group has approved future capital projects and investment commitments to the extent of AED 5,328 million (2020: AED 5,743 million). The Group has issued letters of credit amounting to AED 344 million (2020: AED 306 million).

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

15. Related party transactions and balances

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

a) Federal Government and state controlled entities

As stated in Note 1, in accordance with Federal Law No. 267/10 for 2009, the Federal Government of the UAE transferred its 60% holding in the Company to the Emirates Investment Authority with effect from 1 January 2008, which is ultimately controlled by the UAE Federal Government. The Group provides telecommunication services to the Federal Government (including Ministries and local bodies). These transactions are at agreed terms. The principal management and other services provided to the Group's associates are set out below based on agreed contractual terms and conditions. The credit period allowed to Government customers ranges from 90 to 120 days. Trade receivables include an amount of AED 1,684 million (31 December 2020: AED 1,685 million), which are net of allowance for doubtful debts of AED 444 million (31 December 2020: AED 310 million), receivable from Federal Ministries and local bodies. See Note 5 for disclosure of the royalty payable to the Federal Government of the UAE.

In accordance with IAS 24 "Related Party Disclosures", the Group has elected to disclose qualitatively the transactions with the UAE Federal Government and other entities over which the Federal Government exerts control, joint control or significant influence. The nature of the transactions that the Group has with such related parties is the provision of telecommunication services and procurement of services.

b) Joint ventures and associates	Associates		Joint Ventures	
	2021 AED '000	2020 AED '000	2021 AED '000	2020 AED '000
Trading transactions for the six months ended 30 June				
Telecommunication services – sales	175,559	162,449	-	-
Telecommunication services – purchases	33,381	22,331	11,271	14,086
Management and other services	114,752	158,182	2,923	4,859
Due from related parties as at 30 June 2021 / 31 December 2020	187,308	46,346	27,021	28,954
Due to related parties as at 30 June 2021 / 31 December 2020	-	79,642	5,332	4,441

Sales to related parties comprise of provision of telecommunication products and services (primarily voice traffic and leased circuits) by the Group based on agreed terms. Purchases relate exclusively to the provision of telecommunication products and services by associates to the Group based on normal commercial terms. The net amount due from related parties are unsecured and will be settled in cash.

The principal management and other services provided to the Group's associates are set out below based on agreed contractual terms and conditions.

i. Etihad Etisalat Company

Pursuant to the Communications and Information Technology Commission's (CITC) licensing requirements, Mobily entered into a management agreement ("the Agreement") with the Company as its operator from 23 December 2004. Amounts invoiced by the Company relate to annual management fees, fees for staff secondments and other services provided under the Agreement. The term of the Agreement was for a period of seven years and could be automatically renewed for successive periods of five years unless the Company served a 12 month notice of termination or Mobily served a 6 month notice of termination prior to the expiry of the applicable period.

In 2017, the Group signed a Technical Services and Support Agreement with Mobily. This agreement is for a period of five years.

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

16. Borrowings

	Carrying Amounts	
	30 June 2021	31 December 2020
	AED'000	AED'000
Bank borrowings		
Short term bank borrowings	4,959,021	5,823,852
Bank loans	7,215,833	7,334,621
Other borrowings		
Bonds	11,389,553	12,580,935
Vendor financing	366,071	414,029
Others	5,439	5,307
	23,935,917	26,158,744
Advance from non-controlling interests	542,276	542,276
Total borrowings	24,478,193	26,701,020
of which due within 12 months	6,724,022	12,881,074
of which due after 12 months	17,754,171	13,819,946

The carrying values of the Group's bank and other borrowings, excluding bonds, approximate their fair values. Fair values of bonds are calculated using quoted market prices.

Advance from non-controlling interests represents advance paid by the minority shareholder of Etisalat International Pakistan LLC (EIP) towards the Group's acquisition of its 26% stake in PTCL, net of repayments. The amount is interest free and is not repayable within 12 months of the condensed consolidated interim statement of financial position date and accordingly the full amount is carried in non-current liabilities. The fair value of advance is not equivalent to its carrying value as it is interest-free.

The Group has listed a USD 7 billion (AED 25.7 billion) medium-term note programme which will be used to meet medium to long-term funding requirements. In 2014, the Group issued the inaugural bonds under the GMTN programme in USD and Euro tranches amounting to USD 1 billion and Euro 2.4 billion in total, respectively. Further, in May 2015, the Group issued additional bonds amounting to USD 400 million under the existing USD 5 year tranches.

During 2019, the Group fully repaid USD 900 million notes in accordance with their maturity profile.

In May 2021, the Group issued 7 and 12 years bonds under its established USD 10 billion EMTN Programme amounting to EUR 500 million each with annual yields of 0.375 % and 0.875% respectively. The net proceeds from the issuance of the bonds have been used for the repayment of the existing 7-year tranche amounting to EUR 1.2 billion which matured in June 2021.

As at 30 June 2021, the total amounts in issue under this programme split by currency are USD 0.5 billion (AED 1.84 billion) and Euro 2.2 billion (AED 9.7 billion) as follows:

	Nominal Value	Fair Value	Carrying Value
	2021	2021	2021
	AED'000	AED'000	AED'000
Bonds			
3.500% US Dollar 500 million notes due 2024	1,837,000	1,985,243	1,826,758
Bonds in net investment hedge relationship			
0.375% Euro 500 million notes due 2028	2,197,260	4,424,886	2,184,219
0.875% Euro 500 million notes due 2033	2,197,260	4,344,027	2,154,821
2.750% Euro 1,200 million notes due 2026	5,263,680	5,971,362	5,223,755
At 30 June	11,495,200	16,725,518	11,389,553
of which due within 12 months			-
of which due after 12 months			11,389,553
	Nominal Value	Fair Value	Carrying Value
	2020	2020	2020
	AED'000	AED'000	AED'000
Bonds			
3.500% US Dollar 500 million notes due 2024	1,837,000	2,014,568	1,825,472
Bonds in net investment hedge relationship			
1.750% Euro 1,200 million notes due 2021	5,263,680	5,473,374	5,402,479
2.750% Euro 1,200 million notes due 2026	5,263,680	6,184,417	5,352,984
At 31 December	12,364,360	13,672,359	12,580,935
of which due within 12 months			5,402,479
of which due after 12 months			7,178,456

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

17. Hedge accounting and derivatives

In prior years, Euro bonds issued and interest rate swaps have been designated as net investment hedge and cash flow hedges respectively.

During the period, upon repayment of the EUR 1.2 billion bond on 17 June 2021, EUR 1.2 billion out of EUR 2.4 billion of existing net investment hedge has been discontinued and the EUR 1.2 billion remained on the hedge relationship until maturity date in 2024. Also, on 17 June 2021, Etisalat Group designated the new bonds of EUR 1 billion as net investment hedge.

The effective portion of the hedge instruments reported in the other comprehensive income is as follows:

	Six months ended 30 June	
	2021	2020
	AED'000	AED'000
Effective part directly recognized in other comprehensive income / (loss)		
Other comprehensive income on net investment hedge	282,559	177,529
Other comprehensive income / (loss) on cash flow hedges	45,800	(101,701)
Total effective part directly recognised in other comprehensive income	328,359	75,828

	30 June	31 December
	2021	2020
	AED'000	AED'000
Fair value of derivative financial instruments		
Fair value of forward contracts and options	9,575	(15,304)
Fair value of derivative swaps	(109,320)	(149,776)
	(99,745)	(165,080)

18. Seasonality and cyclicity of interim operations

There are no items of seasonal or cyclical nature in the interim operations during the periods ended 30 June 2021 and 30 June 2020.

19. Fair value disclosures

The Group has quoted equity investments in listed equity securities. The fair values of these equity securities are derived from observable quoted prices in active markets for identical assets, which in accordance with IFRS 7 *Financial Instruments: Disclosure*, represent Level 1 fair values. The Group also holds derivative instruments which are measured by calculating the present value of estimated future cash flows and option pricing models based on appropriate market sourced data. The fair value of those derivatives represent Level 2 fair value.

The fair value of other investments are classified as Level 2 and Level 3 in accordance with generally accepted pricing models based on discounted cash flows at rates derived from observable and unobservable market sourced data. There were no transfers between Level 2 and Level 3 of the fair value hierarchy during the period.

	30 June	31 December
	2021	2020
	AED'000	AED'000
20. Provision for employees' end of service benefits		
The movement in the provision for employees' end of service benefits is provided below:		
Opening balance	1,297,369	1,400,176
Additions	82,437	89,769
Payments - net of contributions received	(40,380)	(217,311)
Exchange difference	3,503	47,159
Unwinding of discounts	5,168	11,071
Remeasurement	17,486	(33,495)
Closing balance	1,365,583	1,297,369
of which included in current liabilities	104,510	102,376
of which included in non-current liabilities	1,261,073	1,194,993

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Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

21. Right-of-use assets	Land and buildings	Plant and equipment	Motor vehicles, computers, furniture	Total
	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2020	1,549,119	1,139,498	55,715	2,744,332
Additions	187,645	273,764	161,334	622,743
Disposals	(56,961)	(158,481)	(8,635)	(224,077)
Depreciation	(248,353)	(178,521)	(69,200)	(496,074)
Exchange difference	17,152	28,424	5,933	51,509
Acquisition of a subsidiary	1,669	-	-	1,669
Balance at 31 December 2020 / 1 January 2021	1,450,271	1,104,684	145,147	2,700,102
Additions	102,067	58,570	9,526	170,163
Disposals	(65,002)	-	(2,419)	(67,421)
Depreciation	(125,009)	(92,084)	(25,740)	(242,833)
Impairment charge	-	-	(110)	(110)
Exchange difference	5,650	2,970	135	8,755
Balance at 30 June 2021	1,367,977	1,074,140	126,539	2,568,656

22. Lease liabilities

Details of the Group's lease liabilities are as follows:	Carrying Value	
	2021	2020
	AED'000	AED'000
Contractual undiscounted cash flow		
Within one year	634,229	668,323
Between 2 and 5 years	1,911,081	1,933,370
After 5 years	1,972,046	2,111,860
Total undiscounted lease liabilities	4,517,356	4,713,553
Lease liabilities included in the consolidated statement of financial position		
of which due within 12 months	550,819	573,748
of which due after 12 months	2,143,515	2,211,130

23. Share capital

On 21 March 2018, the Etisalat Annual General Meeting approved the Company's buyback of its shares within a maximum of 5% of its paid-up capital, for the purpose of cancelling or re-selling such shares, after obtaining approval of competent authorities. The Company obtained the approval from the securities and commodities Authority on 24 September 2018 and subsequently renewed on 13 October 2019 to buyback 5% of the subscribed shares which amounted to 434,837,700 shares.

On 22 February 2021, the Board of Directors proposed the cancellation of the share buyback program and instead proposed a one-time special dividend of AED 0.40 per share which were both approved in the Etisalat Annual General Meeting held on 17 March 2021.

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24. Acquisition of a subsidiary

Help AG's businesses

During 2019, the Group signed an agreement to acquire 100 % of the Help AG's businesses in United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA). The transaction was completed on 17 February 2020 after satisfying all Conditions Precedent and Completion deliverables.

Accordingly, Help AG UAE and KSA were consolidated into this condensed consolidated interim financial information, effective February 2020.

During 2020, the Group has completed the fair valuation of identifiable assets acquired and liabilities assumed which is summarized in the following table:

	AED'000
Intangible assets	2,113
Cash and bank balances	19,069
Trade and other receivables	127,452
Inventories	711
Property, plant and equipment	2,586
Right-of-use assets	1,669
Trade and other payables	(66,873)
Lease liabilities	(1,720)
Provision for employees end of service benefits	(3,494)
Net identifiable assets acquired	81,513
Goodwill recognised on the basis of fair valuation	76,469
Customers related intangible asset recognised on the basis of fair valuation	74,948
Trademark related intangible asset recognised on the basis of fair valuation	10,692
Fair value of investment	243,622
Net cash inflow arising on acquisition:	
Cash and bank balances	19,069

25. Impact of COVID-19 pandemic

Business outlook since first quarter of 2020 has been affected by risks and uncertainties caused by a multitude of factors, some of which were beyond the Group's control.

In this context the Group highlights the health emergency due to the recent spread of the COVID-19 virus, which was declared a pandemic by the World Health Organization during the quarter ended 31 March 2020. To contain the adverse implications for humanity and businesses, governments around the world, including the a majority of the countries where we operate and the United Arab Emirates, have in response to this outbreak announced various support measures and imposed to varying degrees restrictions on the movement of people and goods. Whilst the restriction of people and goods has adversely impacted some businesses, at present the extent of those future impacts is unclear as they will be determined by various factors, including the success of the support measures introduced by governments, businesses' ability to manage their operations during these times and the timing and manner of the easing of the restrictions.

Etisalat Group's existing documented business continuity plan was activated to ensure the safe and stable continuation of its business operations. Business Continuity Planning Committees have been formed to determine and oversee the implementation of all business continuity plans associated with the effects of COVID-19, including measures to address and mitigate any identified key operational and financial issues.

The Group has performed its assessment of the COVID-19 impact and noted that the lockdown measures led to mobility and travel restrictions. This impacted the way the Group conducts its business and put pressure on revenue as a result of stores closure, affecting the mobile prepaid segment and handset sales in addition to loss of roaming revenue due to the travel ban. Moreover, additional provisions related to trade receivables and contract assets were booked during the prior year.

In the third and fourth quarters of prior year, as restrictions began to ease, commercial activities improved gradually. However, due to weaker macroeconomics that continued to pressure consumer and corporate spending, they remained below their pre-COVID-19 levels.

In response to the top-line pressure, Etisalat Group was agile in implementing cost optimization initiatives to face the impact of COVID-19. At the same time, it remained focused on initiatives for the future.

Emirates Telecommunications Group Company PJSC

Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2021

25. Impact of COVID-19 pandemic (continued)

Also, COVID-19 led to the reduction in certain financial investments carried at fair value. Based on the overall assessment, the Group has concluded that significant changes are not required as of 30 June 2021 in its key accounting judgements and estimates from those applied in the last annual consolidated financial statements as of 31 December 2020, except for updating the forward-looking assumptions relating to the macroeconomic environment used to determine the likelihood of credit losses and those underlying impairment testing computations for various CGUs.

In 2020, along with other groups in Morocco, Etisalat Group's subsidiary, Maroc Telecom, contributed an amount of MAD 1.5 billion (AED 551 million) to the special fund dedicated to manage the coronavirus pandemic which is included in Finance and other costs.

The effects of COVID-19 on humanity and businesses continues to evolve, hence there are potential risks and uncertainties associated with its future impact on businesses, though the Group continues to update its plans to seek to respond to them.