Global Telecom Holding

Q1 2019 EARNINGS RELEASE

Amsterdam | 2 May 2019

Global Telecom Holding reports Q1 2019 earnings

GTH continued growth of customer base to 107.3 million in Q1 2019 with reported revenues of USD 688 million, reported EBITDA of USD 336 million and reported EBITDA margin of 48.8%

Global Telecom Holding S.A.E. ("GTH", or "the Company"), a leading international telecommunications company operating mobile networks in growth markets in Pakistan, Algeria and Bangladesh, announced today its results for the quarter ended 31 March 2019.

Q1 2019 Financial and Operational Highlights

Total Revenue	EBITDA	Total Customers
USD **688** million	USD **336** million	**107.3** million
(▲ 12.8% organic[1] y-o-y) (▼ 1.6% reported y-o-y)	(▲ 12.3% organic[1] y-o-y) (▲ 7.8% reported y-o-y) (▼2.2% reported excl. IFRS 16[3] y-o-y)	(▲ 4.6% y-o-y)

Mobile Data Revenue	EBITDA Margin[2]	Net Profit
USD **178** million	**48.8%** including IFRS 16)	USD **51** million
(▲ 61.2% organic[1] y-o-y) (▲ 39.8% reported y-o-y)	**44.3%** (excluding IFRS 16)	(7.4% NP Margin)

Note from the CEO

"In Q1 2019, GTH maintained growth of its customer base across all markets, with total customers reaching 107.3 million. Revenue increased organically[1] by 12.8% year on year, despite a slight decrease in reported revenues of 1.6% year on year to USD 688 million, mainly as a result of adverse currency movements of the Pakistani rupee against the US dollar. EBITDA increased organically[1] 12.3% year on year as a result of the strong operational performance in Pakistan and Bangladesh, with customer growth and an increase in mobile data revenues in both markets. Reported EBITDA was USD 336 million for Q1 2019, representing an increase of 4.3 percentage-points in reported EBITDA margin to 48.8[2]%. Excluding the positive impact from IFRS 16, reported EBITDA would have decreased by 2.2% year on year. The period also saw a net profit of USD 51 million in Q1 2019 compared to a net profit of USD 32 million in Q1 2018[3].

*The **Pakistan** market remained competitive in Q1 2019, particularly in data and social network offers, aimed at offering new services to drive growth. However, Jazz maintained its price premium positioning by making several price monetization moves in the quarter. Jazz continued to show growth in both revenue and customers despite these competitive market conditions. In Q1 2019, total organic[1] revenue growth accelerated sequentially; growth came from business performance and higher usage by customers, mainly due to suspension of taxes collected "suo moto" order[4] from customers by mobile operators, which continued in Q1 2019 and provided the*

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[1] Organic Revenue and EBITDA figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, M&A and the impact from IFRS 16
[2] EBITDA margin is EBITDA divided by total revenue
[3] Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach
[4] In June 2018, the Supreme Court ordered ("suo moto") an interim suspension of the deduction of taxes on prepaid and postpaid connections on each recharge/top-up/load levied by mobile phone service providers. On 24 April 2019, the Supreme Court disposed of the proceedings and restored the impugned tax deductions, deciding that it would not interfere in the matter of the collection of public revenues

whole market with additional revenue growth. Mobile data revenue growth accelerated sequentially to 94.2% year on year, driven by an increase in data customers and a doubling of data usage through higher bundle penetration and continued data network expansion. Customer subscriptions increased 5.8% year on year, driven by the expansion of data network and growth in data customers.

In ***Algeria****, operating trends further stabilized during Q1 2019, with the customer base growing quarter on quarter. The market remains challenging with intense competition in prices as well as channel related incentives, and a regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods. 2019. The customer base grew by 4.5% year on year and by 1.4% quarter on quarter, driven by the successful commercial offers and channel-related incentives. Despite a healthy growth in its customer base, revenues declined organically[1] by 1.3% year on year during Q1 2019, which is a slower pace of decline compared to Q4 2018 as a result of operational stabilization with sequential customer growth.*

The market in ***Bangladesh*** *during Q1 2019 was still characterized by price pressure led by competition, mostly in data offers. The regulatory environment remains challenging and limits customer growth in the market. Against this backdrop, Banglalink continued to focus on acquiring customers in Q1 2019, with improved network availability and managed to deliver year on year revenue growth for the second quarter in a row, alongside with EBITDA growth, after seven consecutive declining quarters."*

Vincenzo Nesci, Chief Executive Officer

Summary Income Statement

(USD 'mn)	1Q 2019	1Q 2019 pre-IFRS 16	1Q 2018[3]	1Q 2019 / 1Q 2018 (reported)	1Q 2019 / 1Q 2018 (organic)	1Q 2019 pre-IFRS 16 / 1Q 2018
Total Revenue	688	688	699	-1.6%	12.8%	-
Service revenue[2]	660	660	667	-1.2%	13.0%	-
Mobile data revenue	178	178	127	39.8%	61.2%	-
EBITDA	336	305	311	7.8%	12.3%	-2.2%
EBITDA Margin	48.8%	44.3%	44.5%	+4.3pp	-	-0.2pp
Net Profit/Loss	51	57	32	61.2%	n/m	79.4%
Net Profit Margin	7.4%	8.3%	4.5%	+2.9pp	n/m	3.7pp
EPS (USD)	0.011	0.012	0.007	61.2%	n/m	79.4%

Other Key Financial Highlights

(USD 'mn)	1Q 2019	1Q 2019 pre-IFRS 16	1Q 2018	1Q 2019 / 1Q 2018 (reported)	1Q 2019 pre-IFRS 16 / 1Q 2018
CAPEX (excluding licenses) [4]	92	87	134	-31.2%	-34.9%
LTM Capex (excl. licenses)/LTM Revenue	12.5%	12.3%	18.0%	-5.5 pp	-5.7pp
Gross debt	2,966	2,511	2,755	7.7%	-8.9%
Net Debt	2,521	2,066	2,360	6.8%	-12.5%
Net Debt / LTM EBITDA	2.0x	1.7x	1.8x	10.8%	-7.0%

[1]Organic Revenue and EBITDA figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, M&A and the impact from IFRS 16
[2] Component of Revenue
[3] Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach
[4] Excluding right-of-use assets recognized upon adoption of IFRS 16

Financial Highlights

- **IFRS 16:** the Company adopted IFRS 16 on the date the standard became effective on 1 January 2019. The Group adopted the standard using the modified retrospective approach. This means that the cumulative impact of the adoption was recognized in retained earnings as of 1 January 2019 and that comparatives were not restated.

- **Total Revenue** increased organically[1] by 12.8% year on year. However, total reported revenue declined slightly by 1.6% year on year to USD 688 million in Q1 2019, mainly due to currency year on year depreciation in Pakistan and Algeria of 25.4% and 4.0% respectively. Growth in organic[1] revenue was primarily due to the increase in organic[1] revenue in Pakistan (23.6%) and in Bangladesh (4.5%), which offset the slight decline in organic[1] revenue in Algeria (-1.3%). Mobile service revenue contributed to 95.9% of total revenue during the quarter and was USD 660 million in Q1 2019. Reported mobile data revenue grew by 39.8% year on year to USD 178 million, representing a 61.2% organic[1] increase year on year in Q1 2019 due to increased data usage across our markets.

- **EBITDA** for Q1 2019 was USD 336 million, representing a strong increase of 7.8% year on year, and an organic[1] increase of 12.3% year on year. EBITDA margin grew by 4.3 percentage points to 48.8% during the period. Organic[1] growth was driven by strong organic[1] EBITDA in all of our markets, mainly as a result of the increase in revenues as well as the impact of IFRS 16. Excluding the impact of IFRS 16, EBITDA would have decreased by 2.2% year on year.

- **Net profit for the period** amounted to USD 51 million, compared to a net profit of USD 32 million in Q1 2018, primarily due to: (i) lower operating expenses, which declined by 9.2% year on year as a result of lower G&A cost in the three operations (ii) lower FX losses, which declined by 35% year on year, primarily due to forex gain from the re-evaluation of the put option liability in Pakistan; and (iii) other operating gain of USD 5.0 million compared to a loss of USD 4.7 million in Q1 2018.

- **CAPEX** (excluding licenses) was USD 92 million in Q1 2019, representing a decrease of 31.2% year on year, driven by lower capex in Pakistan and Bangladesh. CAPEX (excluding license) pre-IFRS 16 was USD 87 million in Q1 2019, representing a decrease of 34.9% year on year.

- **Net debt** increased by 6.8% year on year to USD 2.5 billion, resulting in a net debt to LTM EBITDA ratio of 2.0x. Excluding impact of IFRS 16, the net debt would have decreased by 12.5% year on year to USD 2.1 billion and net debt to LTM EBITDA ratio would have been 1.7x. Quarter on quarter net debt to LTM EBITDA increased from 1.7x to 2.0x mainly due to IFRS 16.

Operational Highlights

- **Total customer base** grew by 4.6% year on year to 107.3 million following the additions of customers across all markets.

- **Data subscribers** recorded strong growth year on year in Pakistan (14.4%), Algeria (18.3%) and Bangladesh (12.4%) driven by higher bundle penetration and continued data network expansion.

[1]Organic Revenue and EBITDA figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, M&A and the impact from IFRS 16

Significant Corporate Events

- On 10 February 2019, VEON Ltd. ("VEON") deposited a Mandatory Tender Offer (the "MTO") with the Egyptian Financial Regulatory Authority (the "FRA") in accordance with the provisions of Chapter 12 of the Executive Regulations of the Capital Market Law No. 95 of 1992 for the purchase of up to 1,997,639,608 shares of GTH, representing approximately 42.31% of GTH's issued shares, at a price of EGP 5.30 per share (the "Offer").
- On 22 March 2019, the GTH Board received a letter of support from VEON, as requested by GTH, to alleviate its immediate funding requirements related to (i) repayment of certain amounts owed by GTH to VEON Holdings B.V. on 31 May 2019 pursuant to a revolving credit facility; and (ii) the principal amount of the USD 300.0 million 8.625% Senior Notes issued by Banglalink Digital Communications Limited due 6 May 2019.
- In light of this letter and after deliberations, the Board unanimously resolved to postpone the Ordinary General Assembly meeting ("OGM") related to the rights issue from 27 March 2019 to 26 June 2019 in Cairo, to consider the latest developments.
- On 25 March 2019, GTH's Board approved the extension of the maturity of the revolving credit facility of USD 100 million offered by VEON, for an additional three months to 31 August 2019 with the same current terms.
- The Annual General Assembly Meeting ("AGM") of GTH convened on 27 March 2019 and approved the Board of Directors' report regarding the Company's activities, the financial statements and the auditor's report for the fiscal year ended 31 December 2018. The AGM also approved the appointment of PWC as the Company's auditor and his fees for the fiscal year ending 31 December 2019 and released the liability of the Chairman and the Board Members for the fiscal year ended 31 December 2018. In addition, the AGM determined the remuneration and allowances of the Independent Board Members for the fiscal year ending 31 December 2019 and authorized the Board of Directors to decide on donations during the fiscal year ending 31 December 2019. Moreover, the AGM ratified the Corporate Governance Report for the fiscal year ended 31 December 2018.
- The Extraordinary General Assembly Meeting ("EGM") of GTH also convened on 27 March 2019 and approved the continuation of the activity of the Company though the Company's losses exceeded 50% of the value of the shareholders equity.
- On 18 April 2019, the GTH Board announced its intention to hold an Extraordinary General Assembly Meeting ("EGM") on 15 May 2019 to consider the amendment of articles number (7), (8), (10), (15), (17), (19), (20), (28), (29), (38), (41), (46), (47), (50), (51) and (61) of the Articles of Association of the Company in light of the amended articles of the Companies law and the Capital Market Law and to incorporate best corporate governance practices in the Articles of Association.
- On 25 April 2019, GTH announced that its subsidiary, Banglalink Digital Communications Limited ("Banglalink"), has entered into a new USD 300 million syndicated term facility agreement with several international banks. The facility is guaranteed by VEON Holdings B.V. for nil consideration. The facility has a tenor of up to three years and will be used to refinance the principal amount of Banglalink's USD 300 million bond that matures on 6 May 2019. GTH also announced that the OGM that is scheduled for 26 June 2019 related to the rights issue remains unchanged.

Operational & Financial Review

Jazz, Pakistan

Jazz, Pakistan | Key Financial Indicators

(PKR 'bn)	1Q 2019	1Q 2018	% change
Revenues	**50,595**	**40,943**	**23.6%**
Service revenue (component of total revenue)	**47,118**	**37,960**	**24.1%**
Mobile data revenue	**13,599**	**7,003**	**94.2%**
EBITDA	**25,609**	**19,442**	**31.7%**
EBITDA Margin	*50.6%*	*47.5%*	*3.1p.p.*
EBITDA pre-IFRS 16	**23,781**	**19,442**	**22.3%**
EBITDA Margin pre-IFRS 16	*47.0%*	*47.5%*	*(0.5p.p.)*
CAPEX (excluding licenses)	**7,216**	**7,334**	**(1.6%)**
LTM CAPEX (excluding licenses)	*12.4%*	*17.8%*	*(5.3p.p.)*
CAPEX (excluding licenses) pre-IFRS 16	**7,059**	**7,334**	**(3.7%)**
LTM CAPEX (excluding licenses) pre-IFRS 16	*12.4%*	*17.8%*	*(5.3p.p.)*

The Pakistan market remained competitive in Q1 2019, particularly in data and social network offers, aimed at offering new services to drive growth. However, Jazz maintained its price premium positioning by making several price monetization moves in the quarter.

Jazz continued to show growth in both revenue and customers despite these competitive market conditions. In Q1 2019, total revenue growth (+23.6% year on year) accelerated sequentially; 10.9% of this growth came from business performance and 12.7% was driven by higher usage by customers, mainly due to suspension of taxes collected ("suo moto"[1] order) from customers by mobile operators, which continued in Q1 2019 and provided the whole market with additional revenue growth. Mobile data revenue growth accelerated sequentially to 94.2% year on year, driven by an increase in data customers and a doubling of data usage through higher bundle penetration and continued data network expansion.

The customer base increased quarter on quarter by 3.8% and by 5.8% year on year, driven by data network expansion and growth in data customers, which increased by 14.4% year on year. The quarter on quarter customer trend reflects our commercial strategy to focus on high quality customers in order to further improve new sale customer mix, leveraging on network on quality of service.

EBITDA pre-IFRS 16 grew year on year by 22.3% driven by revenue growth, resulting in an EBITDA margin of 47.0%.

Excluding tax-related factors EBITDA growth pre-IFRS 16 would have been 19.2%, of which 14.3% of growth came from business performance. From Q1 2019, EBITDA also absorbs the negative accounting impact of minimum tax on revenue (~PKR 0.6 billion in Q1), booked above EBITDA, which diluted EBITDA margin by 1.2 percentage points. Reported EBITDA in Q1 2019 increased by 31.7% year on year to PKR 25.6 billion.

In Q1 2019, capex excluding licenses pre-IFRS16 slightly decreased to PKR 7.1 billion. Reported capex excluding licenses slightly decreased year on year to PKR 7.2 billion.

At the end of Q1 2019, 3G was offered in more than 368 cities while 4G/LTE was offered in 184 cities (defined as cities with at least three base stations). At the end of Q1 2019, population coverage of Jazz's 3G and 4G/LTE networks was 52% and 39% respectively.

The Supreme Court of Pakistan has revoked the previous "suo moto"[1] order. From Q3 2018, revenue was positively impacted by ~PKR 5.2 billion and EBITDA by ~PKR 2.4 billion per quarter.

Spectrum renewal (Ex-Warid) for 15 years has not yet taken place and we are exploring all options given certain challenges in the renewal process.

1 In June 2018, the Supreme Court ordered ("suo moto") an interim suspension of the deduction of taxes on prepaid and postpaid connections on each recharge/top-up/load levied by mobile phone service providers. On 24 April 2019, the Supreme Court disposed of the proceedings and restored the impugned tax deductions, deciding that it would not interfere in the matter of the collection of public revenues

Jazz, Pakistan | Key Operational Indicators

Operator/Country	KPIs	1Q 2019	1Q 2018	% change
Pakistan	**Customers | mn**	**58.3**	**55.1**	**5.8%**
	Mobile data users | mn	**34.8**	**30.5**	**14.4%**
	ARPU | PKR	272.4	232.2	17.4%
	MOU | min	549	538	1.9%
	Data usage (MB/user)	1,669	821	103.4%

Djezzy, Algeria

Djezzy, Algeria | Key Financial Indicators

(DZD 'bn)	1Q 2019	1Q 2018	*% change*
Revenues	**22.8**	**23.1**	**(1.3%)**
Service revenue (component of total revenue)	**22.7**	**23.0**	**(1.0%)**
Mobile data revenue	**6.3**	**5.0**	**26.2%**
EBITDA	**10.6**	**10.4**	**1.8%**
EBITDA Margin	*46.3%*	*44.9%*	*1.4p.p.*
EBITDA pre-IFRS 16	**9.6**	**10.4**	**(7.3%)**
EBITDA Margin pre-IFRS 16	*42.1%*	*44.9%*	*(2.7p.p.)*
CAPEX (excluding licenses)	**2.3**	**1.6**	**44.3%**
LTM CAPEX (excluding licenses)	*14.1%*	*13.5%*	*0.6p.p.*
CAPEX (excluding licenses) pre-IFRS 16	**2.1**	**1.6**	**30.0%**
LTM CAPEX (excluding licenses) pre-IFRS 16	*13.9%*	*13.5%*	*0.4p.p.*

In Algeria, operating trends further stabilized during Q1 2019, with the customer base growing quarter on quarter. The market remains challenging with intense competition in prices as well as channel related incentives, and a regulatory and macro-economic environment which remains characterized by inflationary pressures and import restrictions on certain goods. In addition, a complementary law to the Finance Law introduced on 15 July 2018 further increased the tax on recharge transfer between operators and distributors from 0.5% to 1.5%, with financial impact in H1 2018 and Q1 2019.

Against an overall context of economic slowdown and growing inflation, market competition on both voice and data, evident during 2018, continued, putting strong pressure on prices and ARPU. Djezzy kept its focus on both prepaid and post-paid with a segmented approach, aiming to drive up value while protecting and sequentially improving its customer base with competitive offers on data.

Total revenue decreased by 1.3% year on year, a significantly lower pace of decline compared to Q4 2018 (-4.5% year on year excluding favourable adjustments), as a result of operational stabilization with sequential customer growth.

Price competition, in both voice and data, caused a continued reduction in ARPU, which declined by 5.8% year on year. Djezzy's Q1 2019 service revenue was DZD 22.7 billion, a 1.0% year on year decline, while data revenue growth was 26.2% year on year, due to higher usage and an increase in data customers as a result of 3G and 4G/LTE network roll-out. This data revenue growth is still supported by the change towards a more aggressive data pricing strategy that has been in place since the beginning of 2018. The net customer additions trend, which was still positive during Q1 2019, led to customer growth of 1.3% quarter on quarter and 4.5% year on year. The quarter on quarter growth was mainly driven by the continued positive uptake of new offers launched earlier in the year.

In June 2018, Djezzy migrated to its new DBSS platform, resulting in a slight increase in technology opex. This new platform offers Djezzy simplification, agility and a faster time to market for new services, coupled with improved customer service. Going forward, DBSS, as a cornerstone of Djezzy's digitization, will allow the development of bespoke offers to customers via automatized customer value management tools.

EBITDA pre-IFRS 16 decreased year on year by 7.3%, resulting in a margin of 42.1%. The decline in revenues, coupled with increased taxation and increase of technology and commercial costs such as additional channel incentives were only partly offset by media spending optimization. Reported EBITDA increased by 1.8% year on year to DZD 10.6 billion.

The new Finance Law, effective from January 2018, and further tax increases from mid-July continue to impact year on year performance. As a result of this new taxation, Djezzy's EBITDA was negatively impacted in Q1 2019 by approximately DZD 197 million. The impact on EBITDA from taxation and the increase in technology and commercial costs was only partially offset by the positive impact of full symmetry in mobile termination rates (partial symmetry since 31 October 2017, full symmetry achieved in November 2018).

At the end of Q1 2019, the company's 4G/LTE services covered 28 wilayas and close to 27% of Algeria's population, while its 3G network covered all 48 wilayas and approximately 74% of Algeria´s population. In Q1 2019, capex excluding licenses pre-IFRS 16 was DZD 2.1 billion, representing a 30.8% increase year on year due to an acceleration of 4G/LTE roll-out activity (visible also in Q4 2018), with a capex (excluding licenses) pre-IFRS 16 to LTM revenue ratio of 13.9%.

Djezzy, Algeria | Key Operational Indicators

Operator/Country	KPIs	1Q 2019	1Q 2018	% change
DJEZZY جازي	**Customers | mn**	**16.0**	**15.3**	**4.5%**
	Mobile data users | mn	**9.5**	**8.0**	**18.3%**
	ARPU | DZD	474	504	(5.8%)
	MOU | min	420	437	(4.0%)
Algeria	Data usage (MB/user)	2,244	1,065	110.8%

Banglalink, Bangladesh

Banglalink, Bangladesh | Key Financial Indicators

(BDT 'bn)	1Q 2019	1Q 2018	% change
Revenues	**11.2**	**10.7**	**4.5%**
Service revenue (component of total revenue)	**11.0**	**10.4**	**5.4%**
Mobile data revenue	**2.2**	**1.6**	**36.0%**
EBITDA	**5.0**	**3.9**	**29.8%**
EBITDA Margin	*44.8%*	*36.1%*	*8.7p.p.*
EBITDA pre-IFRS 16	**4.2**	**3.9**	**8.4%**
EBITDA Margin pre-IFRS 16	*37.4%*	*36.1%*	*1.4p.p.*
CAPEX (excluding licenses)	**1.3**	**4.6**	**(70.8%)**
LTM CAPEX (excluding licenses)	*10.2%*	*26.6%*	*(16.4p.p.)*
CAPEX (excluding licenses) pre-IFRS 16	**1.2**	**4.6**	**(74.4%)**
LTM CAPEX (excluding licenses) pre-IFRS 16	*9.9%*	*26.6%*	*(16.7p.p.)*

The market in Bangladesh during Q1 2019 was still characterized by price pressure led by competition, mostly in data offers.

The regulatory environment remains challenging and limits customer growth in the market. For example, the restriction on sale of subsequent SIM card within 3-hours of purchase of the preceding SIM using the same national identity card has impacted gross additions across the mobile industry in Bangladesh since Q2 2018.
Against this backdrop, Banglalink continued to focus on acquiring customers in Q1 2019, with improved network availability and managed to deliver year on year revenue growth for the second quarter in a row, alongside with EBITDA growth, after seven consecutive declining quarters.

Total revenue in Q1 2019 grew by 4.5% year on year, driven by an acceleration of service revenue, which increased by 5.4% year on year to BDT 11.0 billion. The increase represents a continuation of the positive trend seen in Q4 2018, despite Banglalink's 3G network coverage gap compared to competitors. Service revenue increased by 2.5% quarter on quarter in Q1 2019, an improvement compared to last year when Q1 2018 was flat versus Q4 2017. The revenue increase was mainly driven by an acceleration of data revenue growth resulting from network improvements, following spectrum acquisition in Q1 2018 and enhanced network availability, along with the continued expansion of Banglalink's distribution footprint. The customer base grew by 2.4% year on year and by 2.0% quarter on quarter, supported by improved distribution and network availability, notwithstanding the intense pricing pressure in the market. ARPU increased by 2.6% year on year driven by higher voice and data, supported by the introduction of flat tariffs. Data revenue increased by 36.0% year on year, a sequential acceleration (+25.2% in Q4 2018) driven by increased smartphone penetration and doubled data usage year on year to 1,200 MB, along with 12.4% year on year growth in active data users.

EBITDA pre-IFRS16 grew year on year by 8.4%, driven by the revenue increase. EBITDA margin pre-IFRS 16 increased by 1.4 percentage points to 37.4%. Reported EBITDA in Q1 2019 increased by 29.8% year on year to BDT 5.0 billion.

In Q1 2019, capex excluding licenses pre-IFRS 16 significantly decreased year on year to BDT 1.2 billion (-74.4% year on year) reflecting an exceptionally high capex level in Q1 2018 aimed at improving network resilience and by a temporary slowdown of sites rollout in Q1 2019 triggered by the new telecommunication infrastructure regulation. 3G network population coverage was approximately 72% at the end of Q1 2019. The roll-out of 4G/LTE is in progress and the service, which was launched in February 2018, covered a population of over 18% at the end of Q1 2019.

Banglalink, Bangladesh | Key Operational Indicators

Operator/Country	KPIs	1Q 2019	1Q 2018	% change
Bangladesh	**Customers | mn**	**33.0**	**32.2**	**2.4%**
	Mobile data users | mn	**20.4**	**18.1**	**12.4%**
	ARPU | BDT	112	109	2.6%
	MOU | min	232	272	(14.7%)
	Data usage (MB/user)	1,200	600	99.8%

About Global Telecom Holding S.A.E.

Global Telecom Holding, or GTH, is a leading international telecommunications company operating mobile networks in Africa and Asia. GTH operates mobile networks in Algeria (Djezzy), Pakistan (Jazz), Bangladesh (Banglalink), with its total number of customers exceeding 100 million.
Global Telecom Holding is majority-owned by the VEON Group, one of the world's largest mobile telecommunications provider by number of customers and is traded on the Egyptian Stock Exchange under the symbol (GTHE.CA).

Shareholder Information

GTHE.CA on the Egyptian Exchange
Shares Outstanding: 4,721,121,558

Investor Relations Contact

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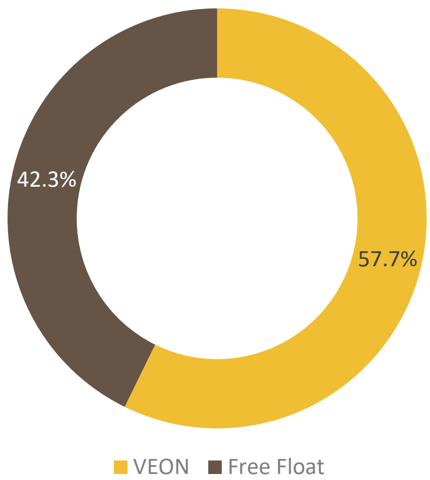
Shareholder Structure

(as of 31 March 2019)



Presentation of Financial Results

GTH's results in this earnings release are based on IFRS and have not been audited. Certain amounts and percentages that appear in this earnings release have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.

All comparisons are on a year on year basis unless otherwise stated.

Revenue and EBITDA organic figures are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. We believe readers of this earnings release should consider these measures as it is more indicative of the Group's ongoing performance. Management uses these measures to evaluate the Group's operational results and trends.

The Company adopted IFRS 16 on the date the standard became effective on January 1, 2019. The Group adopted the standard using the modified retrospective approach. This means that the cumulative impact of the adoption was recognized in retained earnings as of January 1, 2019 and that comparatives were not restated.

Consolidated Financial Statements

Consolidated income statement

USD millions	1Q 2019	1Q 2018*	YoY
Service revenue	659.5	667.5	(1.2%)
-Of which mobile data revenue	178	127	39.8%
Other revenue	28.5	32.0	(11.0%)
Total operating Revenue	**688.0**	**699.5**	**-1.6%**
Total expenses	(352.4)	(388.0)	-9.2%
EBITDA	**335.6**	**311.5**	**7.8%**
Depreciation and amortization	(134.7)	(135.0)	-0.2%
Loss on disposals of non-current assets	(0.3)	(0.5)	-51.9%
Impairment losses	(0.3)	(1.3)	-76.5%
Technical services expense	(6.3)	(6.9)	-8.7%
Other operating (loss)/gain	5.0	(4.7)	n/m
Operating profit	**199.0**	**163.1**	**22.1%**
Finance costs	(93.4)	(77.5)	20.6%
Finance income	0.8	1.6	-50.4%
Net foreign exchange loss	(7.5)	(11.5)	-35.0%
Profit before income tax	**98.9**	**75.7**	**30.7%**
Income tax expense	(47.9)	(43.9)	8.8%
Profit for the period	**51.0**	**31.8**	**61.2%**
Attributable to:			
The owners of the parent	31.8	9.6	234.6%
Non-controlling interests	19.2	22.2	-13.4%
Profit for the period	**51.0**	**31.8**	**61.2%**
Earnings per share	0.011	0.007	61.2%

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018 & Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach*

Consolidated statement of financial position

USD millions	31-Mar-2019	31-Dec-2018*
Assets		
Non-current assets		
Property and equipment	2,010.2	1,564.9
Intangible assets and goodwill	1,664.3	1,703.9
Other non-current assets	270.8	279.3
Total non-current assets	**3,945.3**	**3,548.1**
Current assets		
Cash and cash equivalents	429.9	420.4
Trade and other receivables	288.2	263.0
Other current assets	276.2	299.4
Total current assets	**994.3**	**982.8**
Assets held for sale	**20.6**	**16.7**
Total assets	**4,960.2**	**4,547.6**
Equity and liabilities		
Equity		
Equity attributable to equity owners of the parent	(516.6)	(541.9)
Non-controlling interests	160.4	144.3
Total equity	**(356.2)**	**(397.6)**
Non-current liabilities		
Long term debt**	1,969.3	1,643.6
Other non-current liabilities	481.4	503.3
Total non-current liabilities	**2,450.7**	**2,146.9**
Short term debt**	996.4	924.5
Trade and other payables	1,319.6	1,325.5
Other current liabilities	541.0	543.9
Total current liabilities	**2,857.0**	**2,793.9**
Liabilities directly associated with the assets held for sale	**8.7**	**4.4**
Total liabilities	**5,316.4**	**4,945.2**
Total equity and liabilities	**4,960.2**	**4,547.6**

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018 & Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach*
*** Long and short term debt include lease liabilities (USD 339.6 million and USD 115.2 million respectively)*

Consolidated statement of cash flows

USD millions	31-Mar-2019	31-Mar-2018*
Operating activities		
Profit before tax	98.9	75.7
Non-cash adjustments to reconcile profit before tax to net cash flows provided from operating activities	233.5	223.8
Change in working capital	(42.0)	22.1
Interest paid	(7.8)	(10.2)
Interest received	2.2	1.1
Income tax paid	(60.9)	(43.1)
Net cash flows provided from operating activities	**223.9**	**269.4**
Investing activities		
Proceeds from sale of property and equipment and intangible assets	0.6	2.1
Purchase of property and equipment and intangible assets	(133.4)	(367.6)
Change in other financial assets	7.1	21.9
Net cash flows (used in) investing activities	**(125.7)**	**(343.6)**
Financing activities		
Proceeds from borrowings, net of fees paid	18.7	140.4
Repayment of borrowings	(82.4)	(62.1)
Dividends paid to non-controlling interests	(6.7)	-
Repayment of lease liabilities	(15.4)	-
Net cash flows (used in) / provided from financing activities	**(85.8)**	**78.3**
Net increase/(decrease) in cash and cash equivalents	**12.4**	**4.1**
Cash and cash equivalents at beginning of the period	420.4	374.6
Cash and cash equivalent reclassified as Held for Sale	-	10.1
Effect of movements in exchange rates on cash held	(2.9)	(7.9)
Cash and cash equivalents at end of period	**429.9**	**380.9**

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018 & Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach*

Consolidated Financial Statements

Revenue and EBITDA Reconciliations

SERVICE REVENUE

USD million	1Q 2019	1Q 2018*	Change YoY
Service revenue			
Mobilink, Pakistan	337.3	340.9	-1.1%
Djezzy, Algeria	191.7	201.5	-4.9%
Banglalink, Bangladesh	130.6	125.1	4.4%
Total service revenue	**659.5**	**667.5**	**-1.2%**
Other revenue	28.5	32.0	-11.0%
Total operating revenue	**688.0**	**699.5**	**-1.6%**

EBITDA

USD million	1Q 2019	1Q 2018*	Change YoY
Mobilink, Pakistan	187.7	174.7	7.4%
Djezzy, Algeria	88.9	90.9	-2.2%
Banglalink, Bangladesh	61.4	46.6	31.5%
Total	**338.0**	**312.2**	**8.2%**
Other	(2.4)	(0.7)	222.3%
Total Consolidated EBITDA	**335.6**	**311.5**	**7.8%**

FOREIGN EXCHANGE RATES TO USD AS APPLIED TO THE FINANCIAL STATEMENTS

	Average rates			Closing rates		
	1Q 2019	1Q 2018	Change YoY	1Q 2019	1Q 2018	Change YoY
Egyptian Pound	17.62	17.67	-0.3%	17.33	17.65	-1.8%
Algerian Dinar	118.66	114.08	4.0%	119.42	114.14	4.6%
Pakistan Rupee	139.69	111.41	25.4%	140.79	115.71	21.7%
Bangladeshi Taka	83.86	83.08	0.9%	83.92	83.22	0.8%

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018 & Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach*

GLOSSARY OF TERMS

Average Revenue per User ("ARPU"): Average monthly recurrent revenue per customer (excluding visitors roaming revenue and connection fee). This includes airtime revenue (national and international), as well as, monthly subscription fee, SMS, GPRS & data revenue. Quarterly ARPU is calculated as an average of the last three months.

Capital Expenditure ("CAPEX"): Tangible and Intangible fixed assets additions during the reporting period, including work in progress, network, IT, and other tangible and intangible fixed assets additions, but excluding license fees.

Churn: Disconnection rate. This is calculated as the number of disconnections during a month divided by the average customer base for that month.

Churn Rule: A customer is considered churned (removed from the customer base) if he or she exceeds 90 days from the end of the validity period without recharging. It is worth noting that the validity period is a function of the scratch denomination. In cases where scratch cards have open validity, a customer is considered churned in the event that he or she has not made a single billable event in the last 90 days (i.e. any outgoing or incoming call or sms, or any wap session). Open validity scratch cards have been applied for OTA, Mobilink and Banglalink so far.

Minutes of Usage ("MOU"): Average airtime minutes per customer per month. This includes billable national and international outgoing traffic originated by customers (on-net, to land line & to other operators). This also includes incoming traffic to customers from landline or other operators.

Organic Growth for Revenue and EBITDA: Revenue and EBITDA organic growth are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions; in the organic calculation, Warid is pro-forma consolidated within GTH's results with effect from 1 January 2016.

Earnings per Share ("EPS"): The profit for the period divided by the total number of weighted average common shares outstanding during the periods.

Gross Debt: Principal amount of current and non-current outstanding balance of loans, bonds, promissory notes, equipment financing, over drafts and lease liabilities

Net Debt: Principal amount of current and non-current outstanding balance of loans, bonds, promissory notes, equipment financing, over drafts and lease liabilities less cash, cash equivalents and bank deposits

DISCLAIMER

This earnings release is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy shares in GTH (the "Company"). Further, it does not constitute a recommendation by the Company or any other party to sell or buy shares in the Company or any other securities. This earnings release includes statements that are, or may be deemed to be, "forward-looking statements".

These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. All statements other than statements of historical facts included in this earnings release, including, without limitation, those regarding the Company's prospects, anticipated performance and guidance for 2019, including the Company's ability to generate sufficient cash flow, future market developments and trends, potential capital raising, including the rights issue, the ongoing structural measures aimed at improving performance, operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable, capital expenditure, the effect of the acquisition of additional spectrum on customer experience and the Company's ability to realize its targets and strategic initiatives in its various countries of operation, the Company's ability to realize the acquisition or disposition of any businesses and assets, and growth strategies and expectations regarding growth (including in relation to voice and data usage and customer bases) and the Company's ability to realize its targets and strategic initiatives in its various countries of operation are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance, liquidity, dividend policy or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Important factors that could cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the prices of, and demand for, the Company's products and services, continued volatility in the economies in the Company's markets, unforeseen developments from competition, the availability of credit, governmental regulation of the telecommunications industry in countries in which the Company operates, general political uncertainties in the Company's markets, government investigations or other regulatory actions, litigation or disputes with third parties or other negative developments regarding such parties, risks associated with data protection or cyber security, other risks beyond the Company's control or a failure to meet expectations regarding various strategic priorities, the effect of foreign currency fluctuations, increased competition in the markets in which the Company operates and the effect of consumer taxes on the purchasing activities of consumers of the Company's services. Forward-looking statements should, therefore, be construed in light of such factors and undue reliance should not be placed on forward-looking statements.

These forward-looking statements speak only as to circumstances existing as of the date of this earnings release. The Company expressly disclaims any obligation or undertaking (except as required by applicable law or regulatory obligation including under the rules of the Egyptian Exchange), to release publicly any updates or revisions to any forward-looking statement, whether as a result of new information, future events or otherwise.