Global Telecom Holding

تقرير نتائج الأعمال لفترة الربع الأول لعام 2019

أمستردام | 02 مايو 2019

جلوبال تيلكوم القابضة تعلن نتائج الفترة المالية المنتهية في 31 مارس 2019

الشركة تنجح في استمرار زيادة عدد المشتركين ليصل الى 107.3 مليون مشترك في الربع الأول من عام 2019 مع تسجيل إيرادات بقيمة 688 مليون دولار مع تحقيق أرباح قبل خصم الفوائد والإهلاك والاستهلاك بقيمة 336 مليون دولار، مما أدى الى وصول هامش الربح قبل الفوائد والضرائب والاهلاك والاستهلاك إلى 48.8% خلال نفس الفترة.

أعلنت اليوم شركة جلوبال تيلكوم القابضة ("جي تي أتش" أو "الشركة") – الشركة الرائدة عالميًا في مجال الاتصالات وتقوم بتشغيل شبكات الهاتف المحمول في أسواق سريعة النمو بباكستان والجزائر وبنجلاديش – عن نتائجها المالية للفترة المنتهية في 31 مارس 2019.

المؤشرات المالية والتشغيلية | الربع الأول لعام 2019

إجمالي الإيرادات	الأرباح قبل خصم الضرائب والفوائد والإهلاك والاستهلاك	إجمالي عدد المشتركين
688 مليون دولار	**336 مليون دولار**	**107.3 مليون مشترك**
(▲ نمو أساسي[1] سنوي 12.8%) (▼ انخفاض سنوي بنسبة 1.6%)	(▲ نمو أساسي[1] سنوي 12.3%) (▲ ارتفاع سنوي 7.8%) ▼انخفاض سنوي 2.2% بدون تأثير IFRS 16	(▲ نمو سنوي 4.6%)

إيرادات البيانات	هامش الربح قبل الفوائد والضرائب والاهلاك والاستهلاك	صافي الربح
178 مليون دولار	**48.8%** بدون تأثير IFRS 16	**51 مليون دولار**
(▲ نمو أساسي[1] سنوي 61.2%) (▲ نمو سنوي 39.8%)	**44.3%** مع تأثير IFRS 16	(7.4% هامش صافي الربح)

كلمة الرئيس التنفيذي

في الربع الاول من 2019، استمرت شركة جلوبال تيلكوم القابضة في نمو قاعدة العملاء المشتركين بجميع الأسواق التي تعمل بها الشركة حيث بلغت نسبة النمو السنوية 4.6% لتصل إلى 107.3 مليون مشترك، وقد ارتفع إجمالي الإيرادات بنسبة سنوية 12.8% بشكل أساسي[1] لتبلغ 688 مليون دولار خلال الربع الأول من عام 2019 رغم تراجع الإيرادات المسجلة بمعدل سنوي 1.6% خلال نفس الفترة، نظرًا لأزمة العملة التي يمر بها السوق الباكستاني. وارتفع الربح قبل الفوائد والضرائب والاهلاك والاستهلاك ليبلغ 336 مليون دولار خلال الربع الأول من عام 2019، كما ارتفع هامش الربح قبل الفوائد والضرائب والاهلاك والاستهلاك بواقع 4.3 نقطة مئوية ليبلغ 48.8%[10] خلال نفس الفترة. كما بلغ صافي الربح 51 مليون دولار مقابل صافي ربح بقيمة 32 مليون دولار خلال نفس الفترة من عام 2018..

وعلى صعيد **السوق الباكستاني** الذي شهد منافسة قوية خلال الربع الاول من عام 2018، نجحت شركة "جاز" في تنمية الإيرادات وعدد العملاء المشتركين من خلال خدمة الطلب المرتفع على خدمات بيانات المحمول وتسهيل وصول العملاء إلى مختلف مواقع ومنصات التواصل الاجتماعي. وعلى هذه الخلفية ارتفع عدد العملاء المشتركين بنسبة سنوية 5.8% في الربع الأول من عام 2019 بفضل التوسع بشبكة خدمات البيانات وتقديم باقات أعلى للعملاء، علمًا بأن تعليق الضرائب التي يتم تحصيلها من العملاء من قبل مشغلي شبكات المحمول أدى إلى ارتفاع متوسط عدد الدقائق المستهلكة ومعدل استخدام بيانات المحمول. وقد ساهمت تلك العوامل في زيادة النمو الأساسي للإيرادات بنسبة سنوية 23.6% خلال الربع الأول من عام 2019.

[1] يتم حساب هامش الأرباح التشغيلية (EBITDA Margin) عبر قسمة الأرباح التشغيلية قبل خصم الضرائب والفوائد والإهلاك والاستهلاك (EBITDA) على إجمالي الإيرادات

وفي **الجزائر**، شهدت الأنشطة التشغيلية لشركة "جازي" استقرارًا نسبيًا خلال الربع الاول من عام 2019، حيث ارتفع عدد العملاء المشتركين بمعدل سنوي 4.5% وكذلك 1.4% مقارنةً بالربع السابق بفضل استمرار إقبال العملاء على العروض التي أطلقتها الشركة خلال الفترة. وعلى الرغم من نمو عدد العملاء المشتركين، إلا أن الإيرادات انخفضت بنسبة سنوية 1.4% بشكل أساسي خلال الربع الاول من عام 2019 وهو معدل تراجع ابطء من التراجع الذي شهد في الربع الأخير من عام 2018 وذلك بسبب الاستقرار النسبي في أداء الشركة وفي نمو عدد المشتركين.

وفي **بنجلاديش**، أدت التحديات الخاصة بالقوانين التنظيمية وتأثيرها على الحد من نمو عدد العملاء المشتركين، غير أن الشركة رصدت زيادة النمو الأساسي للإيرادات بنسبة سنوية 4.5% خلال الربع الاول من عام 2019، وذلك على خلفية ارتفاع النمو الأساسي لإجمالي إيرادات الخدمات بنسبة سنوية 5.4% خلال نفس الفترة. وتواصل شركة بنجلالينك تركيزها على جذب المزيد من العملاء في سوق شديد التنافسية، مستفيدةً من قوة ترددات ونطاق تغطية شبكة المحمول الخاصة بها.

فنشنزو نشي، العضو المنتدب

ملخص قائمة الدخل

(مليون دولار)	الربع الأول 2019	الربع الأول 2019 قبل IFRS 16	الربع الأول 2018	1Q 2019 / 1Q 2018	1Q 2019 / 1Q 2018 بشكل اساسي[3]	1Q 2019 pre-IFRS 16 / 1Q2018
إجمالي الإيرادات	688	688	699	-1.6%	12.8%	-
إجمالي إيرادات الخدمات*	660	660	667	-1.2%	13.0%	-
إيرادات بيانات المحمول	178	178	127	39.8%	61.2%	-
الأرباح التشغيلية قبل خصم الضرائب والفوائد والإهلاك والاستهلاك	336	305	311	7.8%	12.3%	-2.2%
هامش الأرباح التشغيلية قبل خصم الضرائب والفوائد والإهلاك والاستهلاك	48.8%	44.3%	44.5%	+4.3pp	-	-0.2pp
صافي الربح/الخسارة	51	57	32	61.2%	n/m	79.4%
هامش صافي الربح	7.4%	8.3%	4.5%	+2.9pp	n/m	3.7pp
ربحية السهم (دولار أمريكي)	0.011	0.012	0.007	61.2%	n/m	79.4%

* تمثل جزءًا من إجمالي الإيرادات

مؤشرات مالية أخرى

(مليون دولار)	الربع الأول 2019	الربع الأول 2019 قبل IFRS	الربع الأول 2018	1Q2019 / 1Q2018 (reported)	1Q 2019 pre-IFRS 16 / 1Q2018
المصروفات الرأسمالية (باستثناء التراخيص)	92	87	134	-31.2%	-34.9%
المصروفات الرأسمالية خلال آخر 12 شهر (باستثناء التراخيص)/إجمالي الإيرادات خلال آخر 12 شهر	12.5%	12.3%	18.0%	-5.5pp	-5.7pp
إجمالي الديون	2,966	2,511	2,755	7.7%	-8.9%
صافي الديون[2]	2,521	2,066	2,360	6.8%%	-12.5%
صافي الديون خلال آخر 12 شهر/ الأرباح التشغيلية قبل خصم الضرائب والفوائد والإهلاك والاستهلاك خلال آخر 12 شهر	2.0	1.7	1.8	10.8%	-7.0%

– نهاية البيان –

عن شركة جلوبال تيلكوم القابضة

[2] يتم حساب صافي الديون من خلال جمع الديون قصيرة الأجل والديون طويلة الأجل، ثم طرح النقدية والنقدية وما في حكمها

[3] أرقام الإيرادات الأساسيه و هامش الربح غير مرتبطة بالمعايير الدولية المالي IFRS والتي تستبعد تأثير تحركات العملات الأجنبية وعوامل أخرى ، مثل الشركات تحت التصفية والتصرف وعمليات الاندماج والشراء وتأثير المعيار الدولي للتقارير المالية 16

تقرير نتائج الأعمال لفترة الربع الأول لعام 2019

أمستردام | 02 مايو 2019

جلوبال تيلكوم القابضة هي شركة عالمية رائدة في مجال الاتصالات وتقوم بتشغيل شبكات الهاتف المحمول في مجموعة من الأسواق سريعة النمو بأفريقيا وآسيا. وتقوم الشركة من خلال شركاتها التابعة بتشغيل شبكات الهاتف المحمول في الجزائر (جازي) وباكستان (جاز) وبنجلاديش (بنجلالينك)، حيث تحتل الشركة أكبر حصص سوقية في تلك الأسواق وتحظى بقاعدة عملاء تجاوزت 100 مليون عميل في عام 2018.

جلوبال تيلكوم القابضة هي شركة مدرجة بالبورصة المصرية ويتم تداول أسهمها تحت كود (GTHE.CA)، علمًا بأن مجموعة فيون تمتلك حصة الأغلبية، وهي أكبر شركة خدمات اتصالات في العالم من حيث عدد العملاء.

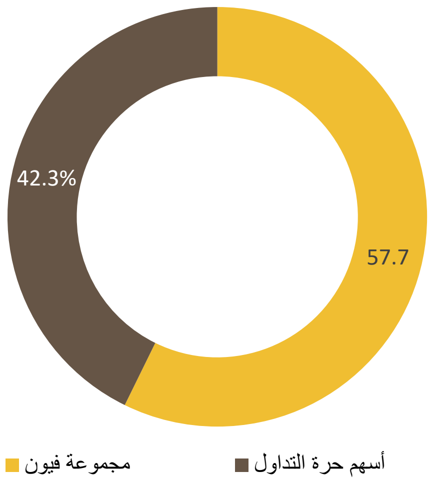
معلومات للمساهمين

كود البورصة المصرية GTHE.CA

عدد الأسهم حاليًا: 4.721.121.558

هيكل المساهمين

(في 31 مارس 2019)



للاستعلام والتواصل

نها عجايبي

مدير إدارة علاقات المستثمرين

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Global Telecom Holding

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*

[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
Algeria	**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%)
	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

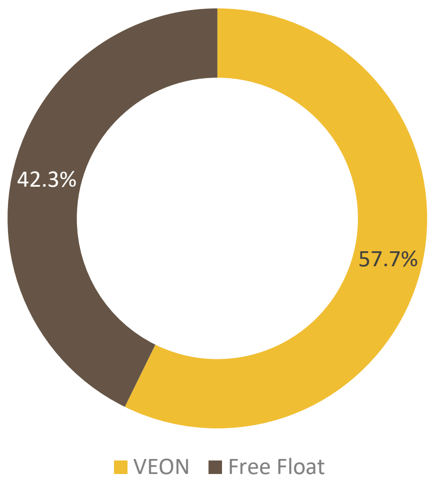
GTHE.CA on the Egyptian Exchange
Shares Outstanding: 4,721,121,558

Investor Relations Contact

Noha Agaiby
Head of Investor Relations
Tel.: +20 (2) 2461 9655/4
IR@gtelecom.com

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.

Condensed Interim
Consolidated Financial Statements

Global Telecom Holding S.A.E.

As of and for the three-month period ended March 31, 2019 (IFRS)

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Limited review report on condensed consolidated interim financial statements

To: The Board of Directors of Global Telecom Holding (S.A.E.)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Global Telecom Holding (S.A.E.) and its subsidiaries (together "the Group") as of 31 March 2019 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note (15) which indicates that, as at 31 March 2019, the Group's consolidated current liabilities exceeded its consolidated current assets by USD 1,850.8 million and it had a deficit in total equity that amounted to USD 356.2 million. In addition, the outcome of actions which have been taken either to take Global Telecom Holding private or to increase its capital to enable the Group to meet its debt repayment obligations falling due within the next 12 months, are still uncertain at this time and the continuation of the Group is dependent on one of these reaching a successful conclusion. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

Ashraf Mamdouh
R.A.A. 26231
F.R.A. 383

2 May 2019
Cairo

Condensed Interim Consolidated Statement of Income

For the three-month period ended March 31

(In millions of US dollars, except per share amounts)	**Note**	**2019**	**2018***
Service revenue		659.5	667.5
Sale of equipment and accessories		2.1	4.8
Other revenue		26.4	27.2
Total operating revenue	**2**	**688.0**	**699.5**
Operating expenses			
Service costs		(104.2)	(113.5)
Cost of equipment and accessories		(3.3)	(5.4)
Selling, general and administrative expenses	5	(250.5)	(279.7)
Depreciation		(102.4)	(94.8)
Amortization		(32.3)	(40.2)
Impairment losses		(0.3)	(1.3)
Other operating gain / (loss)	3	5.0	(4.7)
Technical services expense		(6.3)	(6.9)
(Loss) on disposals of non-current assets		(0.3)	(0.5)
Total operating expenses		**(494.6)**	**(547.0)**
Operating profit		**193.4**	**152.5**
Finance costs		(93.4)	(77.5)
Finance income		0.8	1.6
Net foreign exchange (loss)		(7.5)	(11.5)
Profit before income tax		**93.3**	**65.1**
Income tax expense	4	(42.3)	(33.3)
Profit for the period		**51.0**	**31.8**
Attributable to:			
The owners of the parent		31.8	9.6
Non-controlling interests		19.2	22.2
		51.0	**31.8**
Earnings per share *(expressed in USD per share)*			
Basic and diluted, earnings for the period attributable to ordinary equity holders of the parent	6	0.007	0.002

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018.*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Comprehensive Income

For the three-month period ended March 31

(In millions of US dollars)	**2019**	**2018***
Profit for the period	**51.0**	**31.8**
Items that may be reclassified to profit or loss		
Change in fair value of financial instruments	0.4	1.4
Foreign currency translation	(9.0)	(25.2)
Other comprehensive (loss) for the period net of tax	**(8.6)**	**(23.8)**
Total comprehensive income for the period	**42.4**	**8.0**
Attributable to:		
The owners of the parent	26.3	(15.9)
Non-controlling interests	16.1	23.9
	42.4	**8.0**

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018.*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Financial Position
As of

(In millions of US dollars)	Note	March 31, 2019	December 31, 2018
Assets			
Non-current assets			
Property and equipment	7	2,010.2	1,564.9
Intangible assets	8	856.3	892.0
Goodwill	8	808.0	811.9
Deferred tax		181.9	191.7
Income tax advances		32.8	31.6
Other assets		56.1	56.0
Total non-current assets		**3,945.3**	**3,548.1**
Current assets			
Inventories		8.8	9.0
Trade and other receivables		288.2	263.0
Other financial assets	9	49.8	56.5
Income tax advances		78.8	58.1
Other assets		138.8	175.8
Cash and cash equivalents	10	429.9	420.4
		994.3	**982.8**
Assets held for sale		20.6	16.7
Total current assets		**1,014.9**	**999.5**
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
Net deficit		**(356.2)**	**(397.6)**
Non-current liabilities			
Other financial liabilities	9	2,325.6	1,987.5
Provisions		38.2	36.2
Deferred tax		28.8	28.0
Other liabilities		58.1	95.2
Total non-current liabilities		**2,450.7**	**2,146.9**
Current liabilities			
Trade and other payables		1,319.6	1,325.5
Other financial liabilities	9	1,070.0	957.2
Provisions		130.0	89.3
Income tax payables		126.7	196.7
Other liabilities		210.7	225.2
		2,857.0	**2,793.9**
Liabilities directly associated with the assets held for sale		8.7	4.4
Total current liabilities		**2,865.7**	**2,798.3**
Total liabilities		**5,316.4**	**4,945.2**
Total equity and liabilities		**4,960.2**	**4,547.6**

On behalf of the board

Managing Director — **Vincenzo Nesci**

Chief Financial Officer — **Gerbrand Nijman**

Review report "attached"

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Changes in Equity

For the three-month period ended March 31, 2019

(In millions of US dollars)	Note	Number of shares	Attributable to equity owners of the Company: Issued capital	Other reserves	Accumulated Deficit	Total	Non-controlling interests	Total Equity
As of December 31, 2018		**4,721.1**	**579.1**	**1,488.9**	**(2,609.9)**	**(541.9)**	**144.3**	**(397.6)**
Adjustments arising due to IFRS 16 *****	17		**-**	**-**	(1.0)	**(1.0)**	-	**(1.0)**
As of January 1, 2019		**4,721.1**	**579.1**	**1,488.9**	**(2,610.9)**	**(542.9)**	**144.3**	**(398.6)**
Profit for the period			**-**	**-**	31.8	**31.8**	19.2	**51.0**
Other comprehensive (loss)			**-**	(5.5)	**-**	**(5.5)**	(3.1)	**(8.6)**
Total comprehensive income			**-**	**(5.5)**	**31.8**	**26.3**	**16.1**	**42.4**
Total as of March 31, 2019	**11**	**4,721.1**	**579.1**	**1,483.4**	**(2,579.1)**	**(516.6)**	**160.4**	**(356.2)**

For the three-month period ended March 31, 2018

(In millions of US dollars)	Note	Number of shares	Attributable to equity owners of the Company: Issued capital	Other reserves	Accumulated Deficit	Total	Non-controlling interests	Total Equity
As of December 31, 2017 **		**4,721.1**	**579.1**	**1,631.0**	**(2,297.3)**	**(87.2)**	**138.9**	**51.7**
Adjustments arising due to IFRS 9 and IFRS 15			**-**	**-**	23.4	**23.4**	(2.0)	**21.4**
As of January 1, 2018		**4,721.1**	**579.1**	**1,631.0**	**(2,273.9)**	**(63.8)**	**136.9**	**73.1**
Transferred to legal reserve			-	0.7	(0.7)	-	-	-
Profit for the period			**-**	**-**	9.6	**9.6**	22.2	**31.8**
Other comprehensive (loss)			**-**	(25.5)	**-**	**(25.5)**	1.7	**(23.8)**
Total comprehensive (loss) / income		**-**	**-**	**(25.5)**	**9.6**	**(15.9)**	**23.9**	**8.0**
Total as of March 31, 2018	**11**	**4,721.1**	**579.1**	**1,606.2**	**(2,265.0)**	**(79.7)**	**160.8**	**81.1**

** Opening balance for 2019 are restated following the adoption of IFRS 16 (see Note [17]).*
*** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018.*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Cash Flows

For the three-month period ended March 31

(In millions of US dollars)	**Note**	**2019**	**2018***
Operating activities			
Profit for the period		51.0	31.8
Income tax expense	4	42.3	33.3
Profit before tax		**93.3**	**65.1**
Non-cash adjustments to reconcile profit before tax to net cash flows provided from operating activities:			
Depreciation		102.4	94.8
Amortization		32.3	40.2
Impairment losses of assets		0.3	1.3
Loss on disposals of non-current assets		0.3	0.5
Finance income		(0.8)	(1.6)
Finance costs		93.4	77.5
Net foreign exchange loss		7.5	11.5
Other operating (gain) / loss	3	(5.0)	4.7
		323.7	**294.0**
Changes in:			
Trade and other receivables		(62.0)	(36.8)
Inventories		0.2	(2.1)
Trade and other payables		20.3	63.4
Provisions		8.2	3.1
Cash flows provided from operating activities		**290.4**	**321.6**
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			
Purchase of property, plant and equipment and intangible assets		(133.4)	(367.6)
Receipts from sale of property and equipment and intangible assets		0.6	2.1
Receipts from / (investment in) financial assets		6.9	21.9
Acquisition of a subsidiary, net of cash acquired		0.2	-
Net cash flows (used in) investing activities		**(125.7)**	**(343.6)**
Financing activities			
Proceeds from borrowings, net of fees paid		18.7	140.4
Repayments of borrowings		(82.4)	(62.1)
Repayment of lease liabilities (principal element of lease payments)		(15.4)	-
Dividends paid to non-controlling interests		(6.7)	-
Net cash flows (used in) / provided from financing activities		**(85.8)**	**78.3**
Net increase in cash and cash equivalents		12.4	4.1
Net foreign exchange difference		(2.9)	(7.9)
Cash and cash equivalents at beginning of period		420.4	384.7
Cash and cash equivalents at end of period	**10**	**429.9**	**380.9**

** Prior year comparatives are restated following retrospective recognition of depreciation charges in respect of Deodar in 2018.*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

General information about the group

1 General information

Global Telecom Holding S.A.E. (“GTH” or the “Company”) is an Egyptian joint stock company subject to the provisions of the Capital Market Law No. 95 of 1992 and its executive regulations and registered in the commercial register under number 365751. The Company is listed on the Egyptian Stock Exchange (“EGX”).

The Company’s registered office is located at 2005 A - Nile City Towers– Northern tower–23th Floor– Ramlet Beaulac, Cairo, Egypt.

On September 21, 2015, the Company announced the move of its place of operations to Amsterdam. Currently the office address in Amsterdam is Claude Debussylaan 92, 1082 MD Amsterdam, the Netherlands.

57.69% of the Company’s shares are owned indirectly by VEON Ltd. through VEON Luxembourg Finance Holding S.a.r.l. and VEON Luxembourg Finance S.A.

The Company earns revenues by providing voice and data telecommunication services through a range of mobile and fixed-line technologies. As of March 31, 2019, the Company, through its subsidiaries, operated telecommunications services in Pakistan, Algeria and Bangladesh having a total population under license of more than 400 million.

The condensed interim consolidated financial statements were authorized by the Board of Directors for issuance on May 1, 2019.

The condensed interim consolidated financial statements are presented in United States dollars (**“U.S. dollar**” or **“USD”**). In these notes, U.S. dollar amounts are presented in millions, except for share and per share amounts and as otherwise indicated.

Major developments in Q1 2019

On January 1, 2019, the Company has adopted a new accounting standard – IFRS 16 Leases – 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. For more details please refer to [Note 17].

Operating activities of the Group

2 Segment information

Management analyzes the Company's operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies. Management does not analyze assets or liabilities by reportable segments.

Management evaluates the performance of the Company's segments on a regular basis, primarily based on earnings before interest, tax, depreciation, amortization, impairment loss, gain or loss on disposals of non-current assets, other operating gains or losses and technical services expense ("**Adjusted EBITDA"**) along with assessing the capital expenditures excluding certain costs such as those for telecommunication licenses **("Capital expenditures"**).

As of January 1, 2019, the Company adopted a new accounting standard IFRS 16 Leases. Accordingly, operating lease expenses are no longer recorded in the income statement but instead are considered in recording a lease liability in the statement of financial position. The Company applied a modified retrospective approach, which means that the comparatives were not restated. Refer to Note 17 for more details. As a result, Adjusted EBITDA in 2019 is not comparable to Adjusted EBITDA 2018. The impact on Adjusted EBITDA 2019 stemming from IFRS 16 is set out in the table below.

Financial information by reportable segment for the three-month period ended March 31 is presented in the following tables:

	External customers		Inter-segment		Total revenue	
Revenue	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Pakistan	351.0	359.4	11.1	8.3	362.1	367.7
Algeria	192.2	202.6	-	-	192.2	202.6
Bangladesh	133.7	129.1	-	-	133.7	129.1
Other	-	0.1	-	-	-	0.1
Total segments	**676.9**	**691.2**	**11.1**	**8.3**	**688.0**	**699.5**

	Adjusted EBITDA		Capital expenditures excluding license*	
Other disclosures	**2019**	**2018****	**2019**	**2018*****
Pakistan	187.7	174.7	52.0	65.8
Algeria	88.9	90.9	20.0	14.2
Bangladesh	61.4	46.6	16.0	385.7
Other	(2.4)	(0.7)	-	-
Total segments	**335.6**	**311.5**	**88.0**	**465.7**

** Excluding right-of-use assets recognized upon adoption of IFRS 16*

*** Impact from IFRS 16 is not included in the 2018 comparative numbers following a modified retrospective approach.*

**** Prior period comparatives have been restated to exclude certain costs, such as cost to acquire telecommunication licenses.*

The following table provides the reconciliation of consolidated Adjusted EBITDA to Profit before tax for the three-month period ended March 31:

	2019	2018*
Total Segments Adjusted EBITDA	**335.6**	**311.5**
Depreciation	(102.4)	(94.8)
Amortization	(32.3)	(40.2)
Impairment loss	(0.3)	(1.3)
(Loss) on disposals of non-current assets	(0.3)	(0.5)
Finance costs	(93.4)	(77.5)
Finance income	0.8	1.6
Net foreign exchange (loss)	(7.5)	(11.5)
Other operating gain / (loss)	5.0	(4.7)
Technical services expense	(6.3)	(6.9)
Other operating taxes	(5.6)	(10.6)
Profit before income tax	**93.3**	**65.1**

** Prior year comparatives are restated following the retrospective recognition of depreciation charges in respect of Deodar in 2018.*

The following table provides the details that the adoption of IFRS 16 had on Adjusted EBITDA for the three-month period ended March 31, 2019 for each operating segment:

	Adjusted EBITDA (before IFRS 16)	Impact of IFRS 16	Adjusted EBITDA under IFRS 16
Pakistan	174.5	13.0	187.5
Algeria	81.0	8.0	89.0
Bangladesh	51.3	9.9	61.2
Other	(2.1)	-	(2.1)
Total segments	**304.7**	**30.9**	**335.6**

3 Other operating gain / (loss)

Other operating gain / (loss) consisted of the following for the three-month period ended March 31:

	2019	2018
Change of fair value of embedded derivative	-	(4.9)
Change of fair value of other financial assets / liabilities	0.2	0.1
Loss from sale of other financial assets	(0.6)	-
Other gains	5.4	0.1
Other operating gain / (loss), net	**5.0**	**(4.7)**

4 Income taxes

Current income tax is the expected tax expense, payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of previous years.

Income tax expense consisted of the following for the three-month period ended March 31:

	2019	2018*
Current income taxes	(33.9)	(21.0)
Deferred income taxes	(8.4)	(12.3)
Income tax expense	**(42.3)**	**(33.3)**
Effective tax rate	**45.3%**	**51.2%**

* *Effective tax rate for prior year has been recalculated based on restated profit before tax, arising from the retrospective recognition of depreciation charges in respect of Deodar in 2018.*

In the first quarter of 2019, the difference between the statutory tax rate in the Netherlands (25.0%) and the effective corporate income tax rate for the Group (45.3%) was mainly driven by income tax loss making subsidiaries for which no deferred tax-asset has been recognized.

In the first quarter of 2018, the difference between the statutory tax rate in the Netherlands (25.0%) and the effective corporate income tax rate for the Group (51.2%) was mainly driven by income tax loss making subsidiaries for which no deferred tax-asset has been recognized.

5 Selling, general and administrative expenses

Selling, general and administrative expenses include the following amounts for the three-month period ended March 31:

	2019	2018
Network and IT costs	(16.2)	(12.6)
Personnel cost	(41.1)	(37.6)
Customer associated costs	(76.6)	(82.8)
Losses on receivables	(3.8)	(2.7)
Litigation expenses	(20.6)	(1.8)
Operating lease and other rent expenses	(0.1)	(36.7)
Utilities	(30.6)	(34.6)
Consulting and professional service expenses	(1.9)	(3.3)
Other operating taxes	(5.6)	(10.6)
Other G&A	(54.0)	(57.0)
Total selling, general and administrative expenses	**(250.5)**	**(279.7)**

6 Earnings per share

Earnings per common share for all periods presented has been determined by dividing profit available to common shareholders by the weighted average number of common shares outstanding during the period.

The following table sets forth the computation of basic and diluted earnings per share (**"EPS"**), for the three-month period ended March 31:

	2019	**2018***
	(In millions of US dollars, except share amounts)	
Numerator:		
Earnings for the period attributable to GTH	31.8	9.6
Denominator:		
Denominator for basic earnings per share – weighted average common shares outstanding (millions)	4,721.1	4,721.1
Basic/diluted earnings per share (expressed in USD)	**0.007**	**0.002**

** Prior year comparatives are restated following the retrospective recognition of depreciation charges in respect of Deodar in 2018.*

The Company has no potential diluted shares as of March 31, 2019 and March 31, 2018, therefore the earnings per diluted share are equivalent to basic earnings per share.

Investing activities of the Group

7 Property and equipment

The movement in property and equipment for the three-month period ended March 31 included the following:

	2019	**2018**
Right-of-use assets upon adoption of IFRS 16 (Note 17)	474.0	-
Cost of acquired assets	90.6	132.8
Net book value of assets disposed	3.0	2.8

8 Intangible assets

For the three months ended March 31, 2019, there were no material acquisitions of intangible assets (2018: USD 308.6 of 4G/LTE licenses acquired in Bangladesh).

Goodwill

The movement in goodwill for the Group, per cash generating unit ("CGU"), consisted of the following for the three-month period ended March 31, 2019:

CGU	March 31, 2019	Currency translation	December 31, 2018
Algeria	377.5	(2.5)	380.0
Pakistan	419.1	(1.1)	420.2
Other	11.4	(0.3)	11.7
Total	**808.0**	**(3.9)**	**811.9**

Goodwill is tested for impairment annually (at October 1) or when circumstances indicate the carrying value may be impaired. The Company's impairment test for goodwill is primarily based on fair value less cost of disposal calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different CGU's were disclosed in the annual consolidated financial statements as of and for the year ended December 31, 2018.

The Company considers the relationship between its market capitalization and its book value, as well as weighted average cost of capital and the quarterly financial performances of each CGU when reviewing for indicators of impairment in interim periods.

There was no goodwill impairment recorded in the first quarter of 2019 or 2018.

Financing activities of the Group

9 Other financial assets and liabilities

There were no significant changes in financial assets and liabilities in the three-month period ended March 31, 2019, except for the scheduled repayments of debt and adoption of IFRS 16 *Leases*. Furthermore, there were no changes in risks and risk management policies as disclosed in the Group's annual consolidated financial statements as of and for the year ended December 31, 2018.

As mentioned in [Note 2] of these interim condensed consolidated financial statements, upon transition to IFRS 16, the Company has recognized the lease liability measured upon initial recognition at the present value of the future lease and related fixed services payments over the lease term, discounted with the country specific incremental borrowing rate. See also [Note 17] for more details.

Set out below is the carrying value and fair value of the Company's financial instruments for which IFRS requires to determine their fair values as of March 31, 2019. Details regarding how fair value is determined for each class of financial instruments is disclosed later in this Note.

	Carrying value		Fair value	
Financial assets	**2019**	**2018**	**2019**	**2018**
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
Interest rate exchange contracts	0.1	0.3	0.1	0.3
Financial assets at fair value through other comprehensive income (with recycling)	33.6	35.5	33.6	35.5
Total financial assets at fair value	**33.7**	**35.8**	**33.7**	**35.8**
Financial assets at amortized cost				
Bank deposits and interest accrued	14.8	19.8	14.8	19.8
Other investments	5.7	5.3	6.0	5.6
Total financial assets at amortized cost	**20.5**	**25.1**	**20.8**	**25.4**
Total financial assets	**54.2**	**60.9**	**54.5**	**61.2**
Non-current	4.4	4.4		
Current	49.8	56.5		

	Carrying value		Fair value	
Financial Liabilities	**2019**	**2018**	**2019**	**2018**
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Interest rate exchange contracts	(0.2)	-	(0.2)	-
Contingent consideration	40.1	40.3	40.1	40.3
Total financial liabilities at fair value	**39.9**	**40.3**	**39.9**	**40.3**
Financial liabilities at amortized cost				
Bank loans and bonds, principal	2,222.5	2,249.8	2,280.6	2,273.3
Interest accrued	67.6	27.9	67.6	27.9
Discounts, unamortized fees	(14.7)	(17.1)	-	-
Loans from shareholder, principal	288.5	318.1	288.5	318.1
Interest accrued shareholder	20.2	13.0	20.2	13.0
Lease liabilities	455.0	-	455.0	-
Bank loans and bonds at amortized cost	3,039.1	2,591.7	3111.9	2,632.3
Put-option liability over non-controlling interest	316.6	306.0	316.6	306.0
Dividend payables to non-controlling interests	-	6.7	-	6.7
Total financial liabilities at amortized cost	**3,355.7**	**2,904.4**	**3,428.5**	**2,945.0**
Total financial liabilities	**3,395.6**	**2,944.7**	**3,468.4**	**2,985.3**
Non-current	2,325.6	1,987.5		
Current	1,070.0	957.2		

The fair value of financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date. The fair values were estimated based on quoted market prices for our bonds, derived from market prices or by discounting contractual cash flows at the rate applicable for the instruments with similar maturity and risk profile.

The carrying amount of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their respective fair value.
The fair value of derivative financial instruments is determined using the discounted cash flows technique. Observable inputs (Level 2) used in the valuation techniques include LIBOR, EURIBOR, swap curves, basis swap spreads, foreign exchange rates and credit default spreads.

Fair value hierarchy

As of March 31, 2019, and December 31, 2018, the Group recognized financial instruments at fair value in the statement of financial position.

The fair value hierarchy ranks fair value measurements based on the type of inputs used in the valuation; it does not depend on the type of valuation techniques used:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs are used for the asset or liability

As of March 31, 2019, and December 31, 2018, all financial assets or financial liabilities carried at fair value were measured based on Level 2 inputs, except for Contingent consideration, for which fair value is classified as Level 3.

Transfers into and out of fair value hierarchy levels are recognized at the end of the reporting period (or the date of the event or change in circumstances that caused the transfer). On a quarterly basis, the Company reviews if there are any indicators for a possible transfer between Level 2 and Level 3. This depends on how the Company is able to obtain the underlying input parameters when assessing the fair valuations.

During the three-month period ended March 31, 2019, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

The reconciliation of movements relating to financial instruments classified in Level 3 of the fair value hierarchy:

Financial liabilities at fair value through profit or loss	**Contingent consideration**
As of December 31, 2018	**40.3**
Change in fair value recognized in the income statement	(0.2)
As of March 31, 2019	**40.1**

All impairment losses and changes in fair values of financial instruments are unrealized and are recorded in “Other operating gain / loss” in the condensed interim consolidated statement of income.

10 Cash and cash equivalents

Cash and cash equivalents consisted of the following items:

	March 31, 2019	December 31, 2018
Cash and cash equivalents at banks and on hand	269.3	274.5
Cash equivalents with original maturity of less than three months	160.6	145.9
Cash and cash equivalents	**429.9**	**420.4**

Cash at bank earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The imposition of currency exchange controls or other similar restrictions on currency convertibility in the countries in which GTH operates could limit GTH's ability to convert local currencies or repatriate local cash in a timely manner or at all, as well as remit dividends from the respective countries.

As of March 31, 2019, and December 31, 2018, there were no restricted cash and cash equivalent balances.

Cash balances as of March 31, 2019 include investments in money market funds of USD 126.0 (December 31, 2018: USD 108.1).

11 Issued capital

As of March 31, 2019, the Company's largest shareholders and remaining free float are as follows:

Shareholder	**Common shares**	**% of common and voting shares**
VEON Luxembourg Finance S.A.	2,622,931,845	55.6%
VEON Luxembourg Finance Holding S.a.r.l.	100,550,105	2.1%
Free Float	1,997,639,608	42.3%
Total outstanding common shares	**4,721,121,558**	**100%**

12 Dividends paid and proposed

No dividends were distributed for GTH's shareholders during the three-month period ended March 31, 2019.

Additional information

13 Related parties

For the three-month period ended March 31, 2019, there were no material transactions and there were no material balances recognized with related parties as of this date.

14 Risks, commitments, contingencies and uncertainties

There were no material risks, commitments, contingencies and uncertainties that occurred during the three-month period ended March 31, 2019, and there were no material changes during the same period to the risks, commitments, contingencies and uncertainties as disclosed in the Note 9 and Note 10 in the Group's annual consolidated financial statements as of and for the year ended December 31, 2018.

As a result of the adoption of IFRS 16, all lease commitments were included as lease liabilities recognized in the interim condensed consolidated statement of financial position as of January 1, 2019. For reconciliation of the Company's operating lease commitments as of December 31, 2018, to the lease liabilities recognized on January 1, 2019 please refer to Note 17.

15 Going Concern

The Group has net current liabilities of USD 1,850.8 and an inadequate cash position to meet all upcoming debt obligations within the next twelve-month period.

While the Group's net current liability position and the inadequate cash position indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, Management believes that the going concern assumption of the Group is still appropriate. Management has come to this assessment on the following basis:

(i) on April 25, 2019 Banglalink Digital Communications Limited ("**Banglalink**"), entered into a new USD 300 syndicated term facility agreement with several international banks, which will be used to refinance the principal amount of Banglalink's USD 300 bond that matures on May 6, 2019 (for further details see Note 16);

(ii) a five-year business plan has been prepared, and endorsed by the Board, which shows overall positive levels of profitability and cash-flows driven from the increase in customer subscriptions year on year due to expansion of data network and higher bundle penetration and positive uptake of new offers at both Pakistan and Algeria. As a result of this, Management is confident in the projections for year 2019 in which GTH subsidiaries are able to upstream cash that will be used to settle current debts when they are due, with the exception of the Bangladesh subsidiary;

(iii) the Group is exploring alternate financing options to service its upcoming debt obligations in 2019, including commencing preparation for a potential Rights Issue. An ordinary general assembly meeting has been scheduled for June 26, 2019 to approve the Right Issue;

(iv) the Company's Management has agreed with VEON Holdings B.V. to extend the maturity date of the amounts drawn by the Company under the revolving facility agreement between VEON Holdings B.V. and the Company until August 31, 2019;

(v) the Company expects to receive dividends from Algeria and Pakistan during the upcoming twelve-month period, and the Company collected dividends of USD 48.9 during the first quarter;

(vi) VEON Ltd. in a letter to the Company has expressed its intention to explore taking GTH private (and has deposited documentation with the Egyptian Financial Regulatory Authority to commence a mandatory tender offer ("MTO"), which in the view of the Company's Management could alleviate liquidity issues if the MTO and a transaction to take GTH private takes place. In the event that VEON is not successful in taking GTH private, the Company will continue to pursue the Rights Issue;

(vii) the Company's external bonds are guaranteed by VEON Holdings B.V.; and

(viii) GTH management does not expect VEON to request repayment of the intercompany payable of USD 100, which is an amount accrued since mid-2015 and which VEON has not yet sought repayment of, until a sufficient liquidity position has been reached.

16 Events after the reporting period

Bangladesh refinancing for bonds redemption

On April 25, 2019, the Company announced that its subsidiary, Banglalink, has entered into a new USD 300 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 bond that matures on May 6, 2019.

Dispute concerning sale of Telecel Globe Limited

Global Telecom Holding S.A.E. ("**GTH**") and Niel Natural Resources Investments S.A. ("**Niel**") entered into a Share Purchase Agreement on March 28, 2013, as amended from time to time (the "**SPA**") in relation to the proposed purchase by Niel of GTH's majority stake in Telecel Globe Limited ("**Telecel**") and telecommunications operations in the Central African Republic and Burundi. The parties subsequently entered into three amendments to the original SPA between April and August 2013 due to Niel's failure to timely close the intended transaction. Pursuant to the terms of the amendments, the parties extended the Longstop Date each time in exchange for payments of deposits by Niel. As Niel ultimately failed to close the intended transaction, the deposits paid to GTH were not refunded, which was in accordance with the terms of the SPA which is no longer in force. GTH completed the sale of Telecel in October 2014 to another purchaser for consideration less than had been agreed with Niel.

In 2019, Niel commenced an arbitration at the London Court of International Arbitration in relation to the deposit monies retained by GTH and, in the Dutch courts, obtained an ex parte order freezing GTH's bank accounts in The Netherlands and other pre-award security. GTH plans to vigorously contest Niel's arbitration claims and otherwise defend against all proceedings and actions.

17 Basis of preparation of the condensed interim consolidated financial statements

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended March 31, 2019 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The consolidated income statement has been presented based on the nature of the expense, other than 'Selling, general and administrative expenses', which has been presented based on the function of the expense.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of and for the year ended December 31, 2018.

The preparation of these interim condensed consolidated financial statements has required management to apply accounting policies and methodologies based on complex and subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these judgements, estimates and assumptions affects the amounts reported in the statement of financial position, income statement, statement of cash flows, statement of changes in equity, as well as the notes. The final amounts for items for which estimates and assumptions were made in the consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2018.

A number of new and amended standards became effective as of January 1, 2019, the impact of which is described below. The Group has not early adopted any other standards, interpretations or amendments that have been issued but have not yet become effective.

IFRIC 23 'Uncertainty over income tax treatments'

The Interpretation clarifies the application of recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. The Group has assessed the impact of IFRIC 23, which was not material to the financial statements of the Group upon adoption in 2019.

IFRS 16 'Leases'

IFRS 16 replaced IAS 17 *Leases*, the former lease accounting standard and became effective on January 1, 2019. Under the new lease standard assets leased by the Company are being recognized on the statement of financial position of the Company with a corresponding liability.

In 2018, the Group performed a detailed impact assessment of IFRS 16 and the impact on its adoption was as follows:

	December 31, 2018	Impact of IFRS 16	January 1, 2019
Assets			
Non-current assets			
Property and equipment			
Property and equipment	1,564.9		1,564.9
Right-of-use assets	-	474.0	474.0
Intangible assets	892.0	-	892.0
Goodwill	811.9	-	811.9
Deferred tax assets	191.7	-	191.7
Other financial assets	87.6	(1.0)	86.6
Total non-current assets	**3,548.1**	**473.0**	**4,021.1**
Current assets			
Trade and other receivables	263.0	-	**263.0**
Other current assets	719.8	(41.0)	**678.8**
Total current assets	**982.8**	**(41.0)**	**941.8**
Assets classified as held for sale	16.7	4.0	20.7
Total assets	**4,547.6**	**436.0**	**4,983.6**
Equity			
Equity attributable to equity owners of the parent	(541.9)	(1.0)	(542.9)
Non-controlling interests	144.3	-	144.3
Total equity	**(397.6)**	**(1.0)**	**(398.6)**
Non-current liabilities			
Financial liabilities	1,987.5		1,987.5
Provisions	36.2		36.2
Lease liabilities	-	379.0	379.0
Deferred tax liabilities	28.0	1.0	29.0
Other liabilities	95.2	(10.0)	85.2
Total non-current liabilities	**2,146.9**	**370.0**	**2,516.9**
Current liabilities			
Trade and other payables	1,325.5	(25.0)	1,300.5
Other financial liabilities	957.2	-	957.2
Lease liabilities	-	89.0	89.0
Provisions	89.3	(1.0)	88.3
Other liabilities	421.9	-	421.9
	2,793.9	**63.0**	**2,856.9**
Liabilities associated with assets held for sale	4.4	4.0	8.4
Total equity and liabilities	**4,547.6**	**436.0**	**4,983.6**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability on the lease commencement date.

Upon initial recognition the right-of-use asset is measured as the amount equal to initially measured lease liability adjusted for lease prepayments, initial direct cost, lease incentives and the discounted estimated asset retirement obligation. Subsequently, the right-of-use asset is measured at cost net of any accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter estimated useful lives of the right-of-use assets or the lease term.

The lease liability was measured upon initial recognition at the present value of the future lease and related fixed services payments over the lease term, discounted with the country specific incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Right-of-use assets and lease liabilities will be remeasured subsequently if one of the following events occurs:

- Change in lease price due to indexation or rate which has become effective in reporting period
- Modifications to the lease contract
- Reassessment of the lease term

Leases of non-core assets and not related to the main operating activities of the Group, which are short-term in nature (less than 12 months including extension options) and leases of low-value items are expensed in the Income Statement as incurred.

Transition

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.

The Group used the following practical expedients when adopting IFRS 16 on its effective date:

- IFRS 16 applied only to contracts that were previously assessed as leases in accordance with the previous IFRS standards (IAS 17 *Leases* and IFRIC 4 *Determining whether and Arrangement contains a Lease*);
- a single discount rate applied to a portfolio of leases with reasonably similar characteristics as permitted by IFRS 16;
- initial direct cost was excluded from the measurement of the right-of-use asset as at January 1, 2019;
- the Group’s onerous contract provision process used as the impairment assessment of right-of-use assets upon transition.

The weighted-average incremental rate applied to lease liabilities recognized on January 1, 2019 was 9.53%.

Carrying values of property and equipment and financial liabilities related to finance leases as of December 31, 2018 were reclassified to right-of-use assets and lease liabilities, respectively on January 1, 2019. These carrying values related to finance leases were not remeasured at the transition date.

Significant judgements upon adoption IFRS 16

IFRS 16 requires the Company to assess the lease term as the non-cancellable lease term in line with the lease contract together with the period for which the Group has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Group’s lease portfolio includes lease contracts which are extendable through mutual agreement between GTH Group and the lessor or lease contracts which are cancelable by the Group on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Group concluded that these cancelable future lease periods should be included within the lease term, which represents an increase to the future lease payments used in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts.

The following table reconciles the Company's operating lease commitments as of December 31, 2018, to the lease liabilities recognized upon initial application of IFRS 16 on January 1, 2019.

	USD
Operating lease commitments as of December 31, 2018	457.0
Increase in lease commitments of cancelable leases included in reasonably certain lease term	135.0
Accruals included in the lease liability calculation	3.0
Other	23.0
Total undiscounted lease payments which are reasonably certain	**618.0**
Discounting effect using incremental borrowing rate	(146.0)
IFRS 16 Lease liability recognized on balance sheet as of January 1, 2019	**472.0**
IFRS 16 lease liability presented as:	
Non-current	379.0
Current	89.0
Liabilities associated with assets held for sale	4.0
	472.0

Amsterdam, May 1, 2019

Global Telecom Holding S.AE.