

Annexure V

Management's Discussion and Analysis 2025

Management's Discussion and Analysis is designed to provide you with a narrative explanation through the eyes of our leadership on how we performed including information about our financial condition and prospects. As the Management's Discussion and Analysis is intended to supplement and complement our financial statements, we recommend that you read this in conjunction with our financial statements for the year ended 31 December 2025.

The Financial and Economic Scenario of Bangladesh and the Globe

The year 2025 represented a continuation of political uncertainty and economic pressures following the July 2024 uprising. The interim government pursued reform initiatives across governance and institutional strengthening, banking sector stabilisation, and fiscal discipline. However, persistent law-and-order challenges and structural constraints continued to weigh on business confidence, limiting investment activity and moderating credit growth and import demand. Inflation remained elevated for most of the year, reducing household purchasing power and constraining consumer spending. As a result, GDP growth slowed to 3.49% in FY 2025 (Source: Bangladesh Bureau of Statistics), the lowest level since the pandemic.

With the national election scheduled for February 2026, economic activity is expected to strengthen, with GDP growth projected to recover to around 4.9% in FY2026, subject to political stability, reform progress, and renewed investor confidence. Remittance inflows remained resilient supporting foreign exchange reserves at USD 28.6 billion (BPM6 basis) and contributing to macroeconomic stability. Ongoing policy interventions are expected to support a gradual easing of inflation, projected at approximately 8.7% in 2026. At the same time, global conditions remain uncertain. Geopolitical tensions, regional developments, and the implications of U.S. tariff measures continued to influence both global and domestic business conditions.

Despite a challenging macroeconomic environment, the telecom sector continued to play a central role in enabling Bangladesh's digital economy. Weak consumer spending and broader economic pressures constrained revenue growth across the sector. However, opportunities continued to emerge in high-value areas such as data services, enterprise connectivity, and digital platforms.

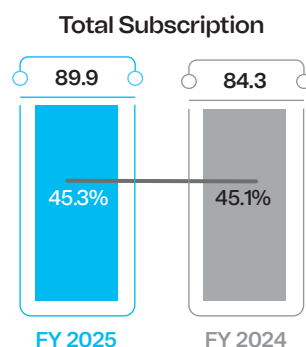
Regulatory initiatives to modernise the sector and expand digital infrastructure provided a foundation for long-term value creation. Continued emphasis on digital transformation, supported by investor-friendly fiscal measures and enabling regulation, has the potential to unlock meaningful growth opportunities over the medium term.

Overall Operating Performance in 2025

Grameenphone reported total revenue of BDT 158.1 billion for the full year 2025 (2024: BDT 158.4 billion), reflecting 0.2% decline compared to the previous year. The decline is explained by the continued weakness of the broader economy which continued to remain under pressure following the July 2024 uprising, contributing to a notable slowdown in national economic activity. The prolonged political uncertainty weakened business and investor confidence, while persistent inflation subdued job creation, and declining household purchasing power collectively constrained overall market demand.

Operating profit for 2025 reached BDT 56 billion, a decline of 4.6% versus 2024. The drop resulted from a combination of 0.2% revenue decline and an operating expense growth of 2.4%. The growth of 2.4% in Operating expenses is well below the prevailing inflation of 8% to 11% during the year, reflecting Grameenphone's continued emphasis on operating efficiency and strict cost discipline amid a challenging macroeconomic environment. The rise in operating expenses was primarily driven by higher depreciation & amortisation and network operation & maintenance reflecting the Company's continued strategic investments in strengthening network resilience as well as modernisation of IT platforms and security infrastructure.

Net profit after tax for 2025 stood at BDT 29.6 billion, representing a margin of 18.7% (2024: BDT 36.3 billion), reflecting the impact of margin compression driven by revenue stagnation and higher structural costs. At year end, Grameenphone's total subscriber base reached 83.9 million, marking a 0.5% decline compared to the previous year. This marginal contraction was primarily attributable to the BTRC imposed regul continued to limit market wide subscriber



■ Subscription (million) ■ End-of-Year Market Share

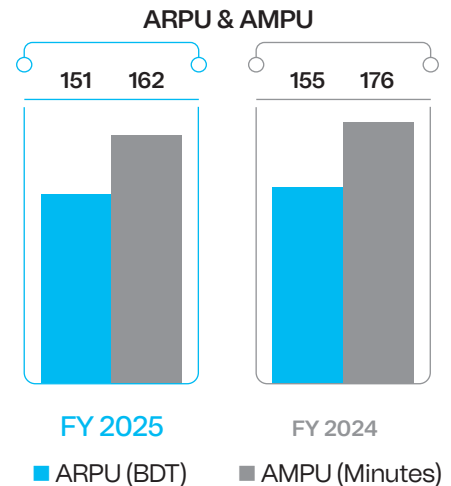
* Market share based on BTRC published information

acquisition. Nevertheless, the Company’s customer-centric product strategy and continuous refinement of digital offerings enabled Grameenphone to add 0.8 million new internet users during 2025, reinforcing its position as the leading data service provider and demonstrating resilience in expanding high value digital user segments. According to BTRC published information, Grameenphone’s subscription market share stood at 45.3% at the year-end, a 0.2 pp increase compared to last year.

At the end of 2025, total number of internet users stood at 48.7 million, representing 58% of the total subscriber base. Out of these internet users, 4G internet users stood at 44.6 million, up 6.3% compared to last year.

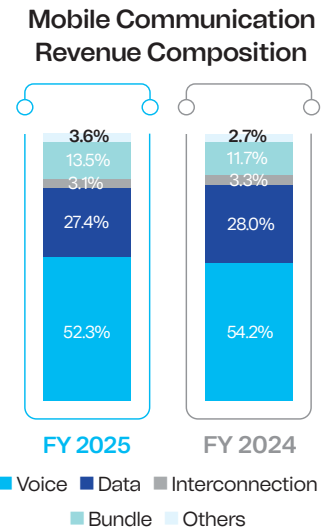
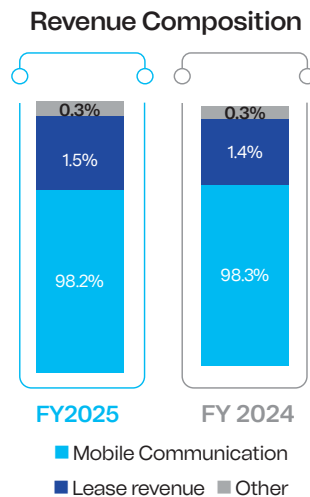
Customers and Average Revenue/Minutes per User (ARPU & MPU)

Average Revenue per User (ARPU) declined to BDT 151 in 2025 from BDT 155 in 2024, reflecting the overall revenue softness amidst a challenging macroeconomic environment. The ARPU contraction was predominantly driven by lower contributions from data and voice services, as cautious consumer spending and inflationary pressures continued to weigh on usage and monetisation. Meanwhile, the Average Minutes per User (AMPU) dropped to 162 minutes in 2025 (2024: 176 minutes), an 7.8% decrease, primarily attributable to the accelerated shift of voice calls toward OTT platforms and more conservative usage patterns as households adjusted their spending in response to rising inflation. Overall, ARPU and AMPU performance in 2025 mirrors broader shifts in consumer behaviour and market conditions, alongside structural changes in usage dynamics.



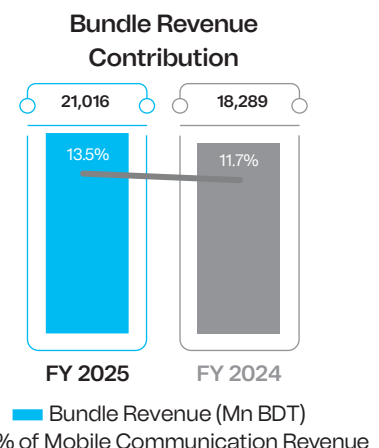
Revenue Performance

Grameenphone reported total revenue of BDT 158.1 billion for the year 2025 (2024: BDT 158.4 billion), reflecting a 0.2% year on year decline. The marginal reduction in top-line performance was primarily driven by softer demand for data and voice services amidst a persistently challenging macroeconomic environment. The decline in data and voice revenue was partially offset by an improvement in bundle revenue, supported by renewed product attractiveness. Throughout the year, Grameenphone continued to introduce innovative customer-centric data and bundle packs, enabling sustained double-digit growth in data usage, despite weaker monetisation and price-sensitive customer behaviour. This strategic focus on enhancing customer value and improving usage experience helped mitigate the revenue impact from subdued economic conditions and shifting consumption patterns.



The contribution of Bundle revenue within mobile communication revenue increased to 13.5% in 2025, up from 11.7% in the previous year, reflecting the attractiveness of Grameenphone’s product portfolio optimisation and enhanced customer value propositions. This shift in revenue mix underscores the Company’s strategic focus on balancing affordability with value delivery to sustain engagement in a challenging macroeconomic environment.

Interconnection revenue declined 4.5% in 2025 mainly due to lower revenue from voice due to accelerated shifting of voice calls from traditional networks to OTT platforms. Besides, voice usage was higher last year during the internet blackout periods.



Cost and Margin Review

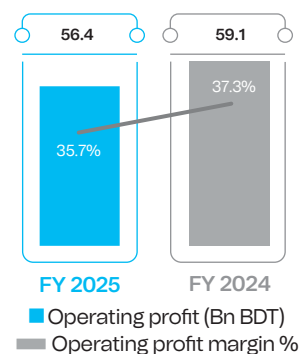
Grameenphone's total operating expense for 2025 amounted to BDT 101.7 billion (2024: BDT 99.3 billion), reflecting 2.4% increase from the previous year. The growth in operating expenses was primarily driven by higher depreciation & amortisation and network operation & maintenance, stemming from continued investments aimed at ensuring superior network experience, including network capacity enhancement, modernisation of IT platforms and security infrastructure. In addition, increased energy consumption resulting from network expansion contributed to the upward cost movement, although these pressures were partly mitigated through numerous optimisation initiatives, including the implementation of new AI-based energy management tools allowing up to 8% lower energy consumption from radio equipment.

Compared with last year, total revenue declined by BDT 0.4 billion, while operating expenses rose by BDT 2.3 billion, collectively resulting in a BDT 2.7 billion reduction in operating profit. Consequently, the operating profit margin fell to 35.7% in 2025, down from 37.3% in 2024, underscoring the combined impact of top-line pressure and higher structural cost components.

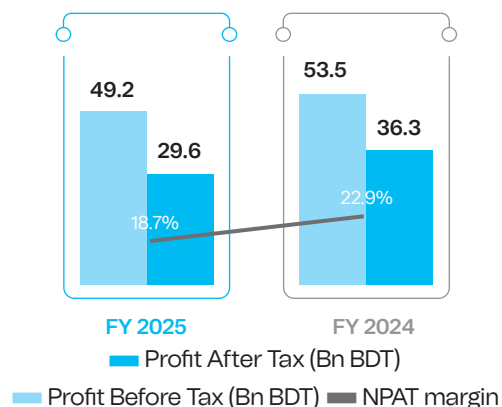
Profit after Tax

Net profit after tax for the year 2025 was BDT 29.6 billion (2024: 36.3 billion) with a margin of 18.7%, which was 4.2 pp lower compared to the previous year. The earnings per share (EPS) for the year 2025 stood at BDT 21.90 as compared to BDT 26.89 for the year 2024, a year-on-year decrease of 18.6%.

Operating Profit & Operating Profit Margin



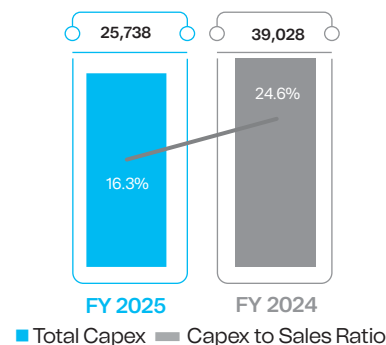
Profit After Tax & Profit Before Tax



Capital Expenditure (Capex) and Network Updates

In 2025, Grameenphone reported BDT 25.7 billion in capital expenditure (2024: BDT 39.0 billion), resulting in a capex-to-sales ratio of 16.3%, compared to 24.6% in the previous year. The lower investment level reflects a normalisation following the intensive modernisation cycle undertaken in 2023–2024, while still ensuring continued enhancement of network quality and capacity. The majority of the 2025 capex was allocated to spectrum acquisition, 4G site rollout, capacity expansion, and nationwide coverage enhancement, reinforcing the Company's commitment to delivering superior voice and data experience for its customers. During the year, the total number of 4G sites reached 23,909, extending high-speed coverage to 98.34% of the population. With the addition of 900 plus new coverage sites, Grameenphone's total site footprint surpassed 24,082 locations, enabling the Company to reach 99.6% population coverage and further strengthen its position as the industry leader in network reach and quality.

Total Capex (Bn BDT)



Comparative analysis of Financial Performance, Financial Position, and Cash Flows

Major areas of financial performance, financial position as well as cash flows [including effects of inflation (Table – 2)] against the immediate preceding five years are as follows:

Table-1

Reported numbers	2025	2024	2023	2022	2021	2020
Financial Performance (in million BDT)						
Revenue	158,057	158,447	158,716	150,403	143,066	139,606
Operating Profit	56,399	59,129	64,429	63,598	63,336	63,440
Profit Before Tax	49,218	53,543	54,324	51,990	60,821	62,801
Net Profit After Tax	29,577	36,309	33,075	30,092	34,129	37,187
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' Equity	56,021	64,742	66,690	46,211	49,879	52,108
Total Assets	191,323	198,853	200,420	185,087	163,007	148,184
Total Liabilities	135,302	134,111	133,731	138,877	113,128	96,077
Current Assets	13,741	15,610	25,304	12,094	9,868	9,931
Current Liabilities	86,299	84,315	92,198	92,933	85,236	76,656
Non-current Assets	177,582	183,243	175,116	172,994	153,139	138,253
Non-current Liabilities	49,002	49,796	41,533	45,994	27,892	19,420
Cash Flows (in million BDT)						
Net Cash generated from Operating Activities	61,569	61,991	60,601	63,813	57,814	33,572
Net Cash used in Investing Activities	(13,742)	(20,262)	(23,597)	(21,571)	(18,786)	(11,217)
Net Cash used in Financing Activities	(48,469)	(51,430)	(23,805)	(41,983)	(38,878)	(33,517)
Financial Ratios						
Current Asset to Current Liability	0.16	0.19	0.27	0.13	0.12	0.13
Debt to Equity	1.21	1.02	0.80	1.23	0.75	0.42
Operating Profit Margin	36%	37%	41%	42%	44%	45%
Net Profit Margin	19%	23%	21%	20%	24%	27%
Return on Equity	49%	55%	59%	63%	67%	82%
Return on Total Assets	15%	18%	17%	17%	22%	25%
Ordinary Shares Information						
Ordinary Shares Outstanding (in million)	1,350	1,350	1,350	1,350	1,350	1,350
Face Value per Share (BDT)	10	10	10	10	10	10
Cash Dividend on Paid-up Capital ¹	215%	330%	125%	220%	250%	275%
Dividend Pay out ¹	98.16%	122.73%	51.03%	98.72%	99%	100%
NAV per Share (BDT) ²	41.49	47.95	49.39	34.22	36.94	38.59
Net Operating Cash Flow per Share (BDT) ³	45.60	45.91	44.88	47.26	42.82	24.86
Earnings Per Share (BDT) ³	21.90	26.89	24.49	22.29	25.28	27.54

*Gain/loss on disposal of property, plant and equipment has been included in operating profit.

1. Including proposed dividend

2. Based on BDT 10 equivalent ordinary share outstanding on 31 December

3. Based on weighted average number of shares of BDT 10 each

Table-2

Inflation Adjusted numbers	2025	2024	2023	2022	2021	2020
Financial Performance (in million BDT)						
Revenue	105,829	115,394	127,542	132,320	135,556	139,606
Operating Profit	37,763	43,063	51,774	55,952	60,011	63,440
Profit Before Tax	32,954	38,995	43,654	45,739	57,628	62,801
Net Profit After Tax	19,803	26,443	26,579	26,474	32,338	37,187
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' Equity	37,509	47,151	53,591	40,655	47,260	52,108
Total Assets	128,102	144,821	161,055	162,834	154,450	148,184
Total Liabilities	90,593	97,670	107,464	122,179	107,190	96,077
Current Assets	9,200	11,368	20,334	10,640	9,350	9,931
Current Liabilities	57,783	61,405	74,089	81,759	80,762	76,656
Non-current Assets	118,902	133,453	140,721	152,194	145,101	138,253
Non-current Liabilities	32,810	36,265	33,375	40,420	26,428	19,420
Cash Flows (in million BDT)						
Net Cash generated from Operating Activities	41,225	45,147	48,698	56,140	54,779	33,572
Net Cash used in Investing Activities	(9,201)	(14,756)	(18,962)	(18,978)	(17,800)	(11,217)
Net Cash used in Financing Activities	(32,453)	(37,455)	(19,129)	(36,935)	(36,837)	(33,517)
Inflation Rate	8.77%	10.34%	9.48%	7.70%	5.54%	5.69%

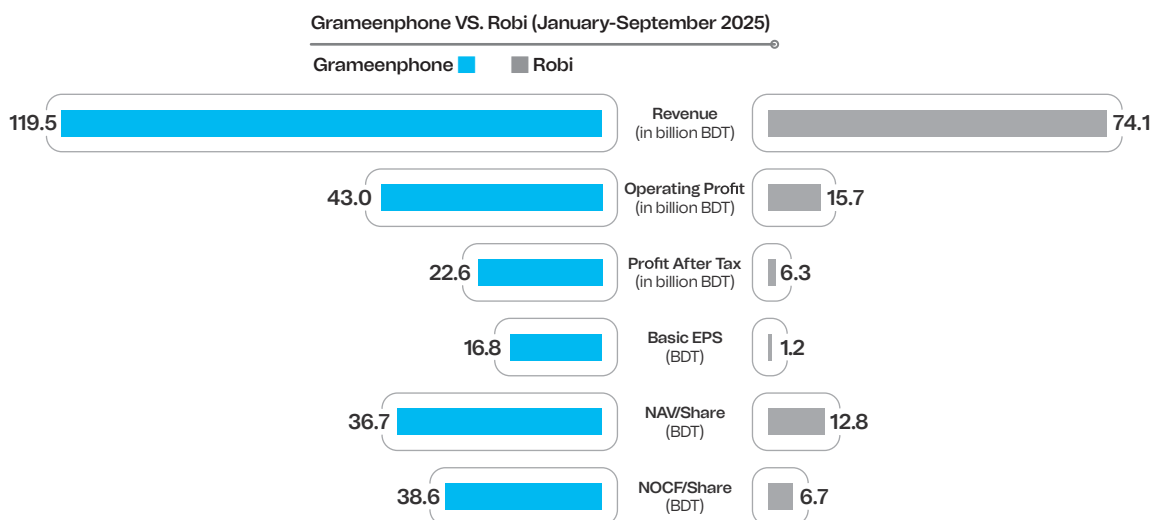
*Inflation Rate Source: Bangladesh Bureau of Statistics

*Since inflation rates are only available for fiscal years, they have been applied for the financial years

Comparison of Financial Performance, Financial Position, and Cash Flow with the peer industry scenario

Peer companies of Grameenphone in telecommunication industry in Bangladesh include Robi Axiata Limited (Robi), Banglalink Digital Communications Limited and Teletalk Bangladesh Limited (Teletalk). Among these three companies, Robi Axiata Limited (Robi) has been enlisted with Dhaka Stock Exchange and Chittagong Stock Exchange on 24th December 2020 and thus enabling financial comparative benchmarking.

Following is the comparative peer review with Robi Axiata Limited based on its latest available 3rd Quarter/9 Months Un-audited Consolidated Financial Statements



Accounting Policies and Estimation for Preparation of Financial Statements

The Financial Statements of Grameenphone have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act 2015 and other applicable laws in Bangladesh. Details of the accounting policies and estimations used for preparation of the Financial Statements of the Company are disclosed in notes 2 & 3 of the financial statements.

Changes in Accounting Policies and Estimation

The accounting policies applied are consistent with those applied in the previous financial year.

Risks and Concerns Related to the Financial Statements

Grameenphone is committed to high standards of internal control as this framework has proven to provide significant benefits in relation to the quality of financial statements. Grameenphones ICFR framework is designed to provide reasonable assurance regarding the achievements of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and legislation

The Company has an integrated process to review the risks arising from transactions, operations, processes, and people, as well as from the external and regulatory environment. It is responsible for establishing and implementing a sufficient internal control structure as an integrated part of operations and procedures to provide reasonable assurance regarding the achievement of corporate objectives. The internal control structure is based on the COSO internal control framework. The COSO framework is the most widely accepted set of guidelines and procedures for Internal Control practices.

Every year, Financial Statements risks are reviewed, involving control and process owners, to identify risks effectively so that Financial Statements assertions are met. Grameenphone follows a risk-based approach where both standard and local risks are addressed. Standard Risks are risks common to all Telenor Business Units and Local Risks are Grameenphone specific risks that arise due to local business processes, operations, people and the regulatory environment we operate in. Each risk is evaluated through a probability and impact matrix and categorised into a four-point rating scale (Very High, High, Medium and Low).

Adequate controls are designed for processes to mitigate the identified risks to an acceptable level. A "Risk Assessment" is conducted annually to update control descriptions and strengthen the control mechanisms to ensure an effective and efficient risk management framework. The risk mitigation status is monitored through two control-testing methods i.e., self-assessment and direct testing, twice a year (Interim and Year-end). Details of the ICFR activity are presented in the Internal Control over Financial Reporting (ICFR) section of the Annual Report on page 28.

Future Plan of Grameenphone 2026

As Grameenphone continues its evolution into a future-ready digital telecommunications operator, our strategic direction remains anchored in digital transformation, customer experience leadership, and operational excellence. We are embedding AI across key business processes to improve agility, accelerate innovation, and enhance customer value creation.

At the same time, we remain disciplined in maximising returns on investment to drive sustainable revenue growth, strengthen cash generation, and deliver consistent value to customers while supporting Bangladesh's broader digital transformation agenda.

Key focus areas

1. Brand and Customer Experience

Customers remain at the centre of our strategy. By strengthening engagement through innovation, relevance, and trust, we aim to protect and extend our leadership position. Grameenphone is transforming into a digital experience partner, serving as a one-stop destination for seamless and value-driven digital experiences tailored to evolving customer needs.

2. Growth

Our growth strategy is focussed on delivering sustainable performance while maintaining market leadership as the industry transitions from voice-centric services to data-led growth. We aim to protect our voice-service foundation while accelerating data and digital services through innovation, digitisation, and the expansion of core and adjacent products and solutions.

We will continue to improve customer experience through superior network quality and personalised service delivered through convenient, efficient channels. In parallel, we will foster a culture of continuous learning and experimentation to strengthen our capabilities and respond to evolving consumer and enterprise needs.

3. Network Experience

Our objective is to sustain network leadership in quality, reliability, and efficiency while meeting rapidly growing data demand. We will scale network capacity through resilient expansion and the deployment of AI-enabled network intelligence. AI-driven network management will enhance performance, optimise efficiency, and improve customer experience.

Our network evolution will be supported through core technology transformation, disciplined investments, simplification initiatives, and strategic collaboration with technology partners. By integrating modern technologies and AI-based automation, we will remain future-ready to support Bangladesh's digital economy at scale.

4. Transformation and AI Enablement

Transformation remains foundational to our strategy as we adapt to technological shifts, new capability requirements, and changing customer expectations. With the ambition of becoming an AI-native telecom operator, we are transforming operations across distribution, customer service, personalisation, network experience, and organisational agility.

Our transformation agenda includes:

- AI-driven operations and intelligent process automation
- Enhanced customer engagement and faster query resolution
- Improved convenience and enablement for distributors and retailers
- AI-enabled personalisation to strengthen customer value and retention

AI will be embedded across core functions, supported by a modern IT foundation emphasising sovereign AI readiness, resiliency, capability, and security, enabling sustainable long-term value creation.

In parallel, we remain focussed on building an AI-augmented, future-ready workforce, strengthening leadership capability, accelerating agility, and enhancing organisational readiness for sustainable growth.

5. Business Environment Management

Our Business Environment Management (BEM) strategy focusses on navigating sector challenges and enabling Grameenphone's sustainable growth amid political and economic transitions. We are strengthening our ability to shape policy and regulatory outcomes, enhance business resilience, and unlock growth opportunities through structured engagement with stakeholders.

At the same time, we are strengthening risk leadership and culture across the organisation by enhancing governance and leveraging technology to proactively anticipate internal and external challenges, enable informed decision-making, and reinforce robust risk management practices. Through proactive stakeholder engagement and policy advocacy, we aim to respond effectively to regulatory developments, advance sustainability priorities, deliver on our ESG commitments, and contribute meaningfully to national economic growth and greater digital inclusion.



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Yasir Azman

Chief Executive Officer

02 February 2026