

Telecom Egypt and Vodafone Group sign a modified shareholders' agreement

Cairo, 07 June 2021: Telecom Egypt ("TE") and Vodafone Group ("Vodafone Group") signed today a modified Shareholders' Agreement. The agreement includes changes to Vodafone Egypt's ("VFE") dividend policy, whereby VFE will pay a one-time dividend of EGP10 billion to its shareholders during the 2021 calendar year, EGP 2bn of which was paid in March. The parties have also agreed on a minimum dividend payout ratio of 60% of free cash flow going forward .

The modified signed agreement also gives Vodafone Group the right to transfer its shareholding in VFE within the broader Vodafone Group. TE maintains its existing rights in the agreement and has obtained certain enhanced minority rights including access to information.

Adel Hamed, TE's Managing Director and Chief Executive Officer, commented:

"We are pleased to have reached an agreement that is mutually beneficial to both parties. Telecom Egypt has been and continues to be a strategic partner to Vodafone Group in the Egyptian market. This agreement guarantees the preservation of our strategic partnership in light of an enhanced shareholders' agreement that provides Telecom Egypt with visibility on its investment and its expected returns based on Vodafone Egypt's performance and gives our shareholders comfort that our participation in the company continues to be fruitful and rewarding. Telecom Egypt plans to utilize the cash inflow from the dividend to be received in 2021 to deleverage its balance sheet, reduce financing expenses and enhance profitability."

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About Telecom Egypt

Telecom Egypt is the first total telecom operator in Egypt providing all telecom services to its customers including fixed and mobile voice and data services. Telecom Egypt has a long history serving Egyptian customers for over 160 years maintaining a leadership position in the Egyptian telecom market by offering its enterprise and consumer customers the most advanced technology, reliable infrastructure solutions and the widest network of submarine cables. Aside from its mobile operation "WE", the company owns a 45% stake in Vodafone Egypt. Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on The Egyptian Exchange and the London Stock Exchange. Please refer to Telecom Egypt's full financial disclosure on ir.te.eg

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