

Telecom Egypt raises its proposed dividend for FY 2020 in light of Vodafone Egypt's dividend distribution

Cairo, 22 March 2021: In its OGM held on March 18, 2021, Vodafone Egypt approved a dividend of EGP 2bn, of which Telecom Egypt's share amounts to cEGP 0.9bn. Accordingly, Telecom Egypt's BoD has proposed raising its dividend for FY 2020 to EGP 0.75 per share instead of EGP 0.50 per share, a 50% increase on the previously proposed dividend, representing c50% of Vodafone Egypt's distribution to Telecom Egypt and a total payout ratio of 86% for Telecom Egypt. The dividend proposal will be discussed during Telecom Egypt's OGM that will be held on March 29, 2021.

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

"I am very pleased that we will be able to increase our dividend distribution to our shareholders thanks to our robust operational performance and the inflow of dividends from Vodafone Egypt. We have been actively engaged with Vodafone Group to ensure that our strategic investment in Vodafone Egypt reflects on our shareholders' wealth, and we are happy that our efforts are bearing fruit. The proposed distribution is 3x our distribution last year, and we expect our ongoing operational growth, coupled with CapEx rationalization and continued distribution from Vodafone Egypt, to lead to FCF improvements that would allow us to continue distributing a regular dividend stream to our shareholders."

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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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