H.E. Chief Executive Officer  
Abu Dhabi Securities Exchange  
Abu Dhabi, United Arab Emirates

Dear Sir,

e& to Expand into Central and Eastern Europe through Investment in Majority Stake in PPF Telecom

We would like to inform you that on 1 August 2023, Emirates Telecommunications Group Company "e&" has signed a binding agreement with PPF Group ("PPF") to acquire a controlling stake (50% + 1 economic share) in PPF Telecom’s assets in Bulgaria, Hungary, Serbia, and Slovakia ("PPF Telecom").

PPF Telecom comprises Yettel Bulgaria, Yettel Hungary, Yettel Serbia, and the O2 Slovakia service operations as well as the CETIN and O2 Networks infrastructure businesses in these countries that are fully carved out and managed independently of the service companies. PPF Telecom serves more than 10 million customers and enjoys leading positions in its markets. PPF Telecom posted combined revenues and EBITDAaL of €1.8 billion and €0.7 billion respectively in 2022.

This transaction is consistent with e&’s strategic ambition to accelerate international growth and expansion. We look forward to this new chapter in our history as we further diversify our footprint and revenue base.

Reference: HO/GCFO/152/IR/019  
Date: 1 August 2023

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growth and diversify into new geographies. This acquisition is an unparalleled opportunity to establish a strong presence and foster developments within the CEE region. PPF Telecom, spanning four countries, exhibits a well-balanced structure, underpinned by robust macroeconomic fundamentals, as well as stable currencies. The markets of its operations are characterised by stable regulatory environments, healthy competition, and attractive returns. The transaction also enables e& and PPF, the leading investor in the region, to potentially partner on further expansion opportunities.

The upfront consideration for the acquisition is €2,150 million in exchange for a 50%+1 share economic stake in both the service and infrastructure companies (except for Hungary where Corvinus owns a 25% stake in the respective businesses). The transaction is also subject to up to €350 million in earn-out payments if PPF Telecom exceeds certain financial targets within the three year period after closing and is subject to a claw back of up to €75 million if such financial targets are not achieved. In addition, PPF has a put option for its remaining stake in PPF Telecom exercisable 5 years after closing and e& would have a reciprocal call option. The transaction is not associated with related parties and will be financed by debt. Upon closing the transaction, e& will fully consolidate the acquired assets under e& international.

ترسيع وتيرة نموها الدولي والتنوع الجغرافي لعملياتها. ويعتبر هذا الاستحواذ فرصة مهمة للعمل والنمو في مناطق وسط وشرق أوروبا، خاصة أن محطته Telecom تعمل بشكل متوازن في أربع مناطق جغرافية تتسم باقتصادات قوية، وعملات نقدية مستقرة. وأطر تنظيمية متقدمة توفر بيئة تنافسية إيجابية تدعم تحقيق عوائد مالية عالية. كما تمكن الصفقة من تعزيز التعاون المشترك بينهما والمشاركة في المزيد من الفرص الاستثمارية.

وبلغت القيمة الأولية للصفقة 2,150 مليون يورو في مقابل حصة مسيطرة (50% + 1 حصة اقتصادية) في من شركات الخدمات والبنية التحتية (باستثناء المجر حيث تمتلك Corvinus حصة 25% في الأعمال التجارية المعنيه). وتخصيص هذه القيمة ليند استثماري إضافي تصل قيمته إلى 350 مليون يورو مستحقًا أداءًا PPF Telecom إذا تجاوزت PPF ماليًا محددة خلال 3 أعوام من استكمال الصفقة، ويخصيص البنود ذاته لحصري استرداد في حال عدم تحقيق تلك الأهداف المالية مبلغ تصل قيمةه إلى 75 مليون يورو لحصتها المتبقية PPF كتمام الاتفاقية، خيار بيع شراء يتم التنفيذ بعد 5 سنوات PPF Telecom في من الإغلاق وسيتغطي لجميع PPF Telecom exercisable 5 years after closing and e& would have a reciprocal call option. The transaction is not associated with related parties and will be financed by debt. Upon closing the transaction, e& will fully consolidate the acquired assets under e& international.
vertical. The financial impact of the transaction represents an incremental of approximately 14% and 11% of e&’s total revenues and EBITDA, respectively based on FY 2022 financials, while e&’s telecom portfolio will increase to 20 countries.

Completion of the transaction remains subject to regulatory approvals and certain closing conditions.

Should there be any developments on this subject, we will keep the market updated in due course.

Kind regards,

Karim Bennis
Group Chief Financial Officer