

The Board of Directors of Orascom Investment Holding S.A.E (the “Company”)

Resolved to submit to its extra ordinary general assembly (“EGM”) a restructuring proposal to demerge Orascom Investment Holding Company to a specialized entity in various investments and another entity specialized in financial services.

Cairo, Monday, July 27, 2020, Orascom Investment Holding S.A.E hereby announces that its Board of Directors convened on Sunday, 26/7/2020 and approved a restructuring alternative by virtue of which a horizontal demerger will occur. This proposal was submitted by the Company’s executive management in implementation of the resolution of the Board of Directors dated 13/7/2020. In addition, the Board of Directors has approved to submit the horizontal demerger proposal to its EGM. The demerger will take place on the book value of the Company and in accordance with its financial statements for the financial year ending on 31/12/2019, and will result in having two companies (the Demerged Company and the Demerging Company), subject to the ratification of the disclosure report prepared in accordance with Article (48) of the Listing Rules of the Financial Regulatory Authority, which shall be published in the following manner:

The Demerged Company, Orascom Investment Holding S.A.E (OIH), shall remain as the existing company and shall maintain all existing investments it holds in its affiliates and sister companies that conduct various investment operations, amounting to 9 companies. This company shall continue to maintain its license as a company incorporated for the purpose of “Participating in the incorporation of all joint stock companies and partnerships limited by shares through issuance of financial securities or by way of capital increase”. The Demerged Company shall remain listed on the Egyptian Stock Exchange upon amending its listing details to reflect the capital reduction through decreasing the nominal value from 42 piasters to 11 piasters per share for the same number of shares prior to the demerger. It shall also preserve the history of Orascom Investment Holding Company save for certain amendments to its articles of association in light of the demerger.

The Demerging Company, Orascom Financial Holding S.A.E (OFH) (unless the name is amended at a later stage) shall be a new legal entity in the form of a joint stock company subject to the provisions of the Capital Market Law No. 95 of 1992 and its Executive Regulations. Its purpose shall be “To participate in the incorporation of all companies that issue financial securities or in the increase of their capital shares which operate in the field of financial services”. All investments belonging or held by the Demerged Company in its affiliates or sister companies that carry out financial services shall be transferred to the Demerging Company, which in particular will include the company’s shareholding stake in Beltone Financial Holding, and Sarwa Capital Holding for Financial Investments, in addition to the current account due to Orascom Investment Holding from Victoire Investment. The Demerging Company set to be incorporated in light of the demerger shall have a capital distributed over the same number of shares before the demerger, with a nominal value

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www.orascomih.com

Authorized Capital: EGP 22 billion - Issued Capital: EGP 2,203,190,060,40 (fully paid)
Subject to law No. 95/1992 - CR. 394061 Cairo



of 31 piasters per share. The shares of the Demerging Company shall be registered and deposited at Misr for Central Clearing Depository and Registry (i) once incorporation procedures are completed, it is registered in the commercial registry, (ii) the license to conduct its business activities is issued, and (iii) and the Financial Regulatory Authority issues a non-objection to its application to be listed on the Egyptian Stock Exchange and to be registered in the registers of the Financial Regulatory Authority.

It is to be noted that the shareholding percentage of the shareholders, including the percentage of free-floated shares and the percentage of shares represented in global depository receipts amounting to 56.1723% shall remain unchanged between the Demerging Company and the Demerged Company. Accordingly, the legal procedures to establish the global depository program for the Demerged Company shall be at the same percentage represented in the global depository receipts, taking into account that the Demerging Company is an extension of the Demerged Company.

It is worth noting that the Board of Directors has resolved to submit to the EGM the demerger reasons which comprised of: As financial services companies have financial leverage due to the nature of their business, it may result in misleading investors and analysts in evaluating OIH as an investment holding company. Further, some shareholders may express greater interest in the financial services sector and vice-versa. Accordingly, the demerger will grant investors a good opportunity to invest in the desired sectors and exit from un-desired sectors. In addition, the demerger may provide several investment opportunities to investors and hence (i) attract larger investments whether locally or from abroad to both the Demerging Company and the Demerged Company; (ii) provide more opportunities to the Demerging Company and the Demerged Company to develop, contribute to new investments in their fields and enhance the managements' focus on the activities of each separate field to reach the maximum levels of performance; and (iii) improve the financial situation of the Demerging Company and the Demerged Company through the re-distribution of the assets and liabilities of the company according to the line of business of the affiliates of each company, as set out in the disclosure report prepared in accordance with Article (48) of the Listing and De-listing Rules of the Egyptian Stock Exchange.

The Disclosure Report stipulated for under Article (48) of the Listing and De-listing Rules of the Egyptian Stock Exchange shall be published once it is ratified by the Financial Regulatory Authority. The proposed demerger shall be submitted to the EGM based on a detailed demerger report prepared by the Demerged Company accompanied by the auditor's opinion. Once the final valuation report of the economic sector of the General Authority for Investment and Free Zones is issued, the matter shall be submitted to the EGM to approve the demerger.

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About Orascom Investment Holding Company:

Since its establishment in the year 2011, Orascom Investment Holding Company has been working as a holding company having investments in telecommunications, media, technology and cable works sectors. The Company emerged from the demerger of the assets of OTMT Investments Company (OTMTI) and Veon Company (VEON), previously known as (Vimpelcom). Orascom Investment Holding Company owns the legacy of the most successful telecommunication operator in the region. With the saturation of the telecom sector, the company recently adopted a new approach to diversify its investment profile to be transformed from a company specialized in the fields of telecommunication and technology to a holding company active in investment activities.

Orascom Investment Holding Company invests in vital industries that play a significant role in the formulation of the future, including power, financial services, food industries, real estate development, logistical services and transportation. The company is currently exploring all the opportunities available in the markets of Egypt, Africa and the Middle East.

Wherever we invest, we will always strive to change the lives of people in order to contribute to sustainable development.

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