

## **Global Telecom To Raise \$624.7 Million**

Global Telecom Holding, a leading international telecommunications company in Africa and Asia, has announced that it intends to raise capital via rights issue of EGP 11.2 billion (\$624.7 million), through the issuance of 19.3 billion new shares with a par value of EGP 0.58.

Following the capital increase, GTH's issued capital will reach EGP 13.92 billion (\$780 million) divided into 24 billion shares.

The company operates mobile networks in Africa and Asia. It has operations in Algeria (Djezzy), Pakistan (Jazz), Bangladesh (Banglalink), with its total number of customers exceeding 100 million in 2018.

The rights issue - approved by the Board of Directors by the end of November 2018 - will be offered pro-rata to existing shareholders of GTH as of the record.

The planned capital increase will partially be servicing the Company's debt, reducing its consolidated interest expense and supporting its ongoing operations in Bangladesh.

The company's financial obligations include loans from its main shareholder, VEON Group (owns 57.7%), in addition to providing sufficient liquidity needed to meet its operating companies' near-term needs, with focus on Bangladesh where significant investment has been made during 2018 on spectrum additions.

As per a statement from Global Telecom, \$300 million will be injected to refinance its Bangladesh subsidiary financial needs.

"After an extensive review of the options available to GTH, supported by our external advisors, it has become clear that a rights issue is in the best interests of all stakeholders", said Vincenzo Nesci, Chief Executive Officer of Global Telecom Holding.

The CEO indicated that the Transaction will have a positive impact on GTH's financial position, reducing its reliance on VEON Ltd and provide the liquidity necessary for the company to address the challenges it faces up-streaming funds.

Global Telecom Holding is majority-owned by the VEON Group, one of the world's largest mobile telecommunications provider. The company is traded on the Egyptian Stock Exchange.

In November 2017, a tender offer was deposited by Veon Holdings on 42.31% of Global Telecom Holding shares, though; Egypt's Financial Regulatory Authority didn't approve the offer, reportedly due to the company's debts.

While in July 2018, GTH announced that it has received an offer from VEON to acquire its assets in Pakistan (Jazz and its associated operations) and Bangladesh (Banglalink) for a total gross consideration of \$2,550 million, but that was too refused by the shareholders as

it didn't meet their expectations.

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