



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

**PRESS RELEASE**

Wednesday, 4<sup>th</sup> October 2023

## MAJORITY SHAREHOLDER TRANSITION PROCESS IN TELKOM KENYA LIMITED (TELKOM)

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### I. Background:

The Government of Kenya (GoK) in 2022 agreed to buy 60% shareholding in Telkom Kenya Limited (Telkom) from Jamhuri Holdings Limited (Jamhuri/Helios), following the decision by Jamhuri/Helios to exit the company. Subsequently, however, GoK made a decision to amend the transaction so as to have another private investor to acquire the 60% shareholding from Jamhuri/Helios. In this regard, a competitive process to identify the new investor was set in motion in January 2023, resulting in an evaluation process that recommended the Infrastructure Corporation of Africa LLC (ICA) of the United Arab Emirates, to be the new majority shareholder in Telkom, based on the offer they put forward.

### II. ICA-GoK Deal

The offer by ICA includes capital injection to fund Telkom's critical infrastructure and the overall upgrade of the company's capabilities, and also settle some of the outstanding liabilities of the company. On its part, and as part of the shared vision for Telkom, GoK through the National Treasury will meet its part of

the obligations as a minority shareholder and as a key consumer of services offered by the company. Further, GoK as a critical stakeholder will pursue the actualization of regulatory reforms that are necessary to correct the structural imbalance in the telecommunications industry for the benefit of all stakeholders, key of whom is the public as a consumer.

### **III. Cabinet Approval**

On 3<sup>rd</sup> October 2023, the Cabinet approved the following actions to be made in respect of the majority shareholder transition process in Telkom:

- i. rescind the decision made in 2022 for GoK to purchase from Jamhuri/Helios the 60% shareholding (*which process has not been carried through to completion*); and,
- ii. proceed and onboard the Infrastructure Corporation of Africa LLC (ICA) of the United Arab Emirates, as the new majority shareholder in Telkom, based on the offer they have put forward and subject to regulatory approvals.

### **IV. Majority Shareholder Transition Process**

In order to complete the process of onboarding ICA, GoK will work with Jamhuri/Helios to transfer their 60% shareholding directly to ICA, this process will inevitably require rescinding of the transaction documents already signed between GoK and Jamhuri/Helios, among other necessary actions.

NJUGUNA NDUNG’U, CBS

CABINET SECRETARY