

Stronger together – Creating a new world class digital telco for Indonesia

ooredoo

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Today's presenters



**Aziz Aluthman
Fakhroo**
*Managing Director of
Ooredoo Group*



Vikram Sinha
*Director & Chief Operating
Officer of Indosat Ooredoo*

Merger of Indosat and H3I – creating a stronger No. 2 telco in Indonesia



Indosat Ooredoo Hutchison

- Strategic partnership between Ooredoo Q.P.S.C. (“OG”) and CK Hutchison (“CKH”) with combined pre-synergy implied enterprise value of c.US\$6.0bn¹
- Building a new Indonesian world class digital telco company that will be a stronger No.2 player in the market
- Combination of two leading digital telecoms and internet companies will provide accretive returns to all stakeholders

Note: Assumed FX (USD / IDR) of 14,785; ¹ Valuation as of 31 Mar 2021 based on the Independent Valuation Reports for Indosat Ooredoo and H3I and actual balance sheets as of 31 March 2021 for both companies

Compelling value creation for shareholders

Significant synergy



Technology and network

- Highly complementary networks
- Opex and lease savings: decommissioning of duplicated sites (c.25-30% of combined sites)
- More efficient use of combined spectrum resources and increased scale to enhance capex savings
- Optimization of other duplicated infrastructure such as transmission as well as supporting IT systems



Non-network

- Increased reach of combined brands and channels
- Leveraging best practices of both to increase efficiency in sales, marketing and distribution
- Increased scale to create opportunity for additional savings in spend related to providers and partners
- Optimization of G&A

Run-rate pre-tax synergies¹: c.US\$300~400mm; expected to be realized in 3-5 years

Note: Assumed FX (USD / IDR) of 14,785. ¹ Net of integration costs; it is expected that during the initial transition period there will be an integration cost required to ensure that the customer experience is always maintained and improved, before achieving run-rate synergies

Transaction overview

Structure

- Combination by way of legal merger, all stock transaction
- The surviving company (“MergeCo”) will be named as Indosat Ooredoo Hutchison and will remain listed on the Indonesian Stock Market
- Indosat Ooredoo Hutchison will issue new shares to H3I shareholders

Valuation and Exchange Ratio

- Combined pre-synergy implied enterprise value of c.US\$6.0bn¹
- 67.4% : 32.6% equity value split between Indosat and H3I, respectively

MergeCo BOD & BOC

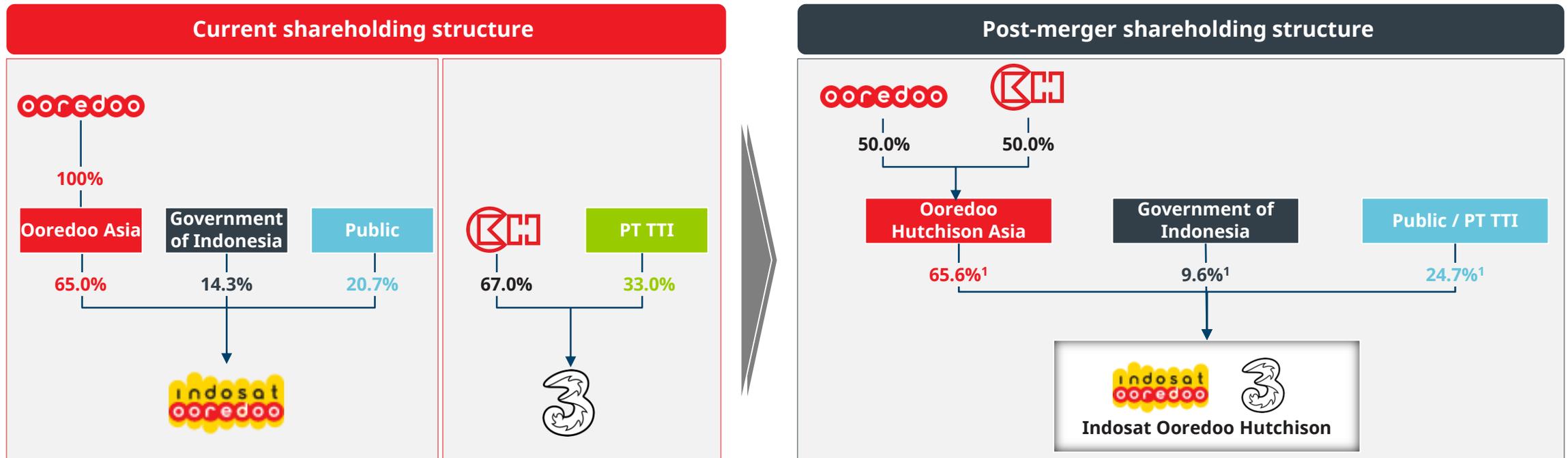
- Vikram Sinha, current COO of Indosat, will be nominated as MergeCo CEO, subject to EGMS approval
- Nicky Lee, current CFO of H3I, will be nominated as MergeCo CFO, subject to EGMS approval
- Ahmad Al-Neama, current CEO of Indosat, will be nominated as MergeCo Commissioner, subject to EGMS approval
- Cliff Woo, current CEO of H3I, will be nominated as MergeCo Commissioner, subject to EGMS approval
- BOD and BOC composition to be announced at a later date
- OG and CKH will become joint controlling shareholders in the MergeCo post-transaction

Key Closing Conditions

- Relevant regulatory approvals and shareholder approvals
- Target closing by end of December 2021

Note: Assumed FX (USD / IDR) of 14,785; ¹ Valuation as of 31 Mar 2021 based on the Independent Valuation Reports for Indosat Ooredoo and H3I and actual balance sheets as of 31 March 2021 for both companies

Pro Forma shareholding structure of Indosat Ooredoo Hutchison



- MergeCo will be named as Indosat Ooredoo Hutchison, subject to EGMS approval
- MergeCo will remain listed on the Indonesian Stock Market
- As part of the merger, Indosat Ooredoo Hutchison will issue shares amounting to 32.6% stake in MergeCo to H3I shareholders. CKH will transfer its new shares in MergeCo to Ooredoo Asia (to be renamed Ooredoo Hutchison Asia) in exchange for 33.3% stake and purchase 16.7% stake from OG for a cash consideration of US\$387mm
- OG and CKH will each own a 50.0% stake in Ooredoo Hutchison Asia, which will own 65.6% in MergeCo

Note: Assumed FX (USD / IDR) of 14,785; ¹ Numbers may not add up to 100% due to rounding

OG financial impact

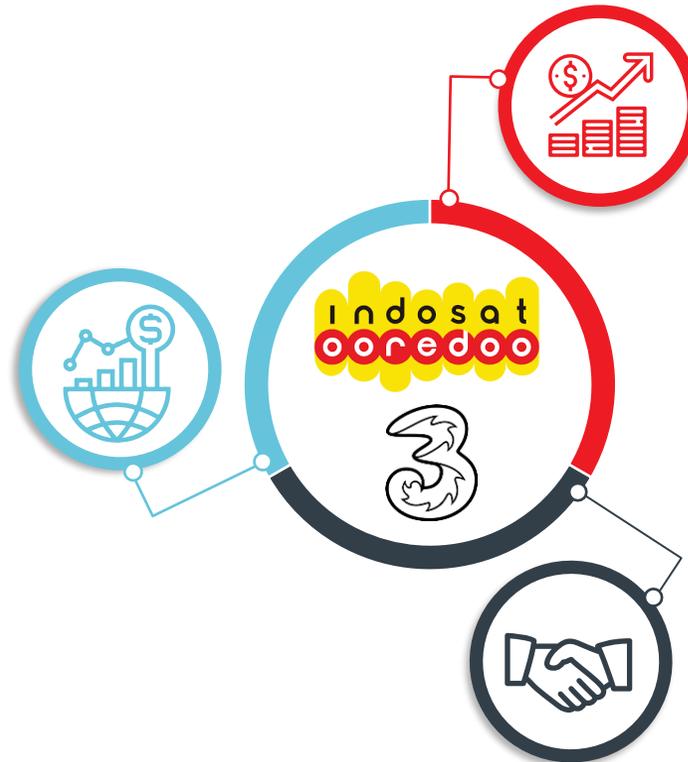
- **Following the transaction, OG will transition from owning a 65% shareholding in Indosat Ooredoo to owning a 33% of MergeCo**
- **This will change the status of MergeCo such that Indosat Ooredoo's financials will no longer be consolidated into the Group and MergeCo will become a joint venture company**
- **Upon completion of the combination, OG will therefore no longer recognise revenue and EBITDA from MergeCo but will record 33% of the profits of MergeCo as "share of profits from joint venture" on our income statement**
- **OG is expecting a reduction in the Net Debt / EBITDA ratio below the current board guidance of 1.5x to 2.5x upon closing of the merger**

Merger is aligned with OG's Active Portfolio Management strategy

OG intends to operate as top two player in each of its markets

Dividend potential

- Sustainable profitability to elevate future dividend potential



Growth

- Optimal scale to pursue new areas of growth and development in an advancing digital economy (B2B, ecommerce and data services)

Synergies

- Strengthened operating efficiencies and optimized capex investment
- Lower cost of capital expected

Merger will generate enhanced returns for OG

The merger is beneficial for customers, shareholders and Indonesia



Market consolidation is favourable for the telecom sector



Stronger No. 2 player in Indonesia with more competitive scale



Accelerate digital innovation and service quality for customers



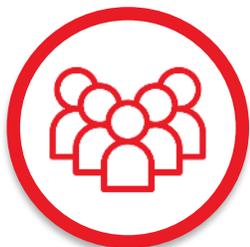
Compelling value creation via significant synergies

Market consolidation is favourable for the telecom sector

Current market challenges



High capex intensity



Large number of players in the market

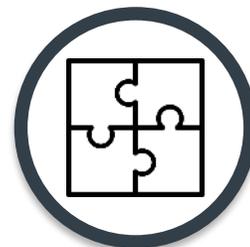


Fragmentation of spectrum

Potential benefits of consolidation



Better profitability drives future expansion



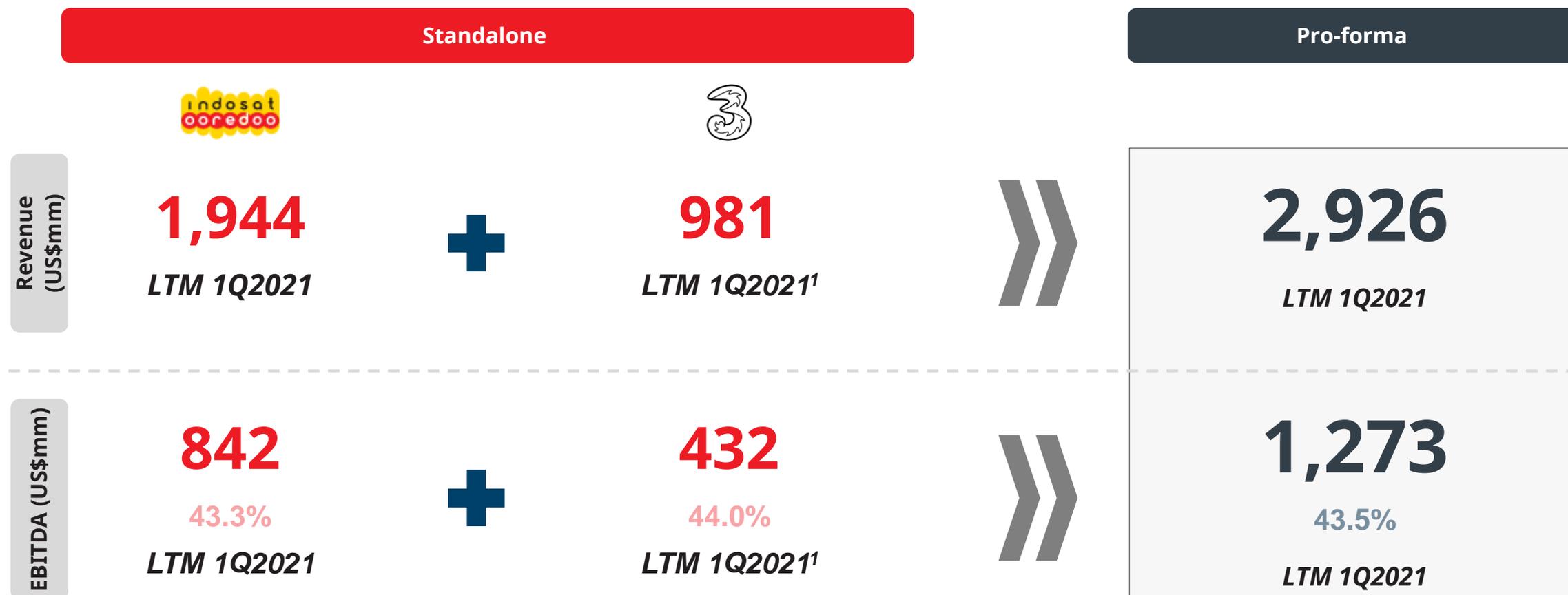
More sustainable market structure



Efficient allocation of spectrum resources

The benefits of consolidation are recognized and supported by the Government, as evidenced by the Omnibus Bill

Stronger No. 2 player in Indonesia with more competitive scale



Note: Assumed FX (USD / IDR) of 14,785; financials presented are pre-synergies; numbers may not add up due to rounding; ¹ Based on local Indonesian GAAP and adjusted for like-for-like comparison to Indosat Ooredoo's numbers

Accelerate digital innovation and service quality for customers

Accelerating digital Indonesia vision and supporting Industry 4.0.

- Indonesia has taken important steps toward fulfilling its digital ambitions
- The government has launched a number of initiatives to help power digitization, including its “Making Indonesia 4.0” road map
- The road map covers aspects of taking Indonesia into a digital future and economy, such as industrial digitization, technological advancement and commerce

The Merger will further contribute to the Government’s plans to digitize Indonesia



Improved network
quality



Increased innovation
and acceleration of new
digital services



Wider geographical
coverage



Q & A

Appendix



Attractiveness of the Indonesian market

- 1 Largest South East Asia population with over **270mm**
- 2 More than **100mm** population is within the 20-40 years bracket (productive age)
- 3 **95% +** of data access through cellular technology
- 4 **345mm** mobile connections in Indonesia in January 2021
- 5 Mobile penetration ratio of **126%** of the total population (more than 1 cellphone / person)
- 6 More than **203mm** internet users in Indonesia in January 2021
- 7 Internet penetration ratio in Indonesia stood at **74%** in January 2021

Experienced leadership



Vikram Sinha

*Director & Chief Operating Officer
of Indosat Ooredoo*

- Mr. Vikram Sinha was appointed as the Director & Chief Operating Officer of Indosat Ooredoo on 2 May 2019
- Before being appointed as the Director & Chief Operating Officer at Indosat Ooredoo, Vikram served as Chief Executive Officer of Ooredoo Myanmar, Myanmar (2017-2019) and Chief Executive Officer of Ooredoo Maldives, Maldives (2014-2017)
- He was the Chief Operating Officer of Bharti Airtel Ltd, Congo (2014) and the Managing Director of Bharti Airtel Ltd, Seychelles (2012-2013). He also served on various leadership capacities between 2005-2012 in Bharti Airtel India. He started his career with Coca-Cola India
- Mr. Vikram also serves as Board member for Ooredoo Myanmar (since April 2019) and Board of Commissioner for Lintasarta, a subsidiary of Indosat Ooredoo (since March 2020)



Nicky Lee

*Chief Financial Officer of Hutchison 3
Indonesia*

- Lee Chi Hung, Nicky has served as the Chief Financial Officer of PT Hutchison 3 Indonesia from August 2014 to March 2018 and from November 2020 to the present date
- Nicky was appointed as the Corporate Financial Controller of Hutchison Telecommunications International Ltd, listed in Hong Kong and New York, in October 2006 and subsequently held the position of Finance Head – Asia Telecommunications at CK Hutchison Holdings Limited, including during the period March 2018 to November 2020
- He also has worked with PCCW Limited, another key telecom operator in Hong Kong, for 6 years in positions from Manager to Vice President of Group Finance. Mr. Lee started his professional career with KPMG in Hong Kong and has more than 29 years of experience in senior financial and operational roles from finance to compliance and governance, and in budgeting and performance management across operations in multiple countries in Asia



Thank you

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