

# THE FORMATION OF THE LEADING TOWERCO IN MENA





# Introducing the “NEW TASC” Towers

We are forming the leading tower platform in the MENA region

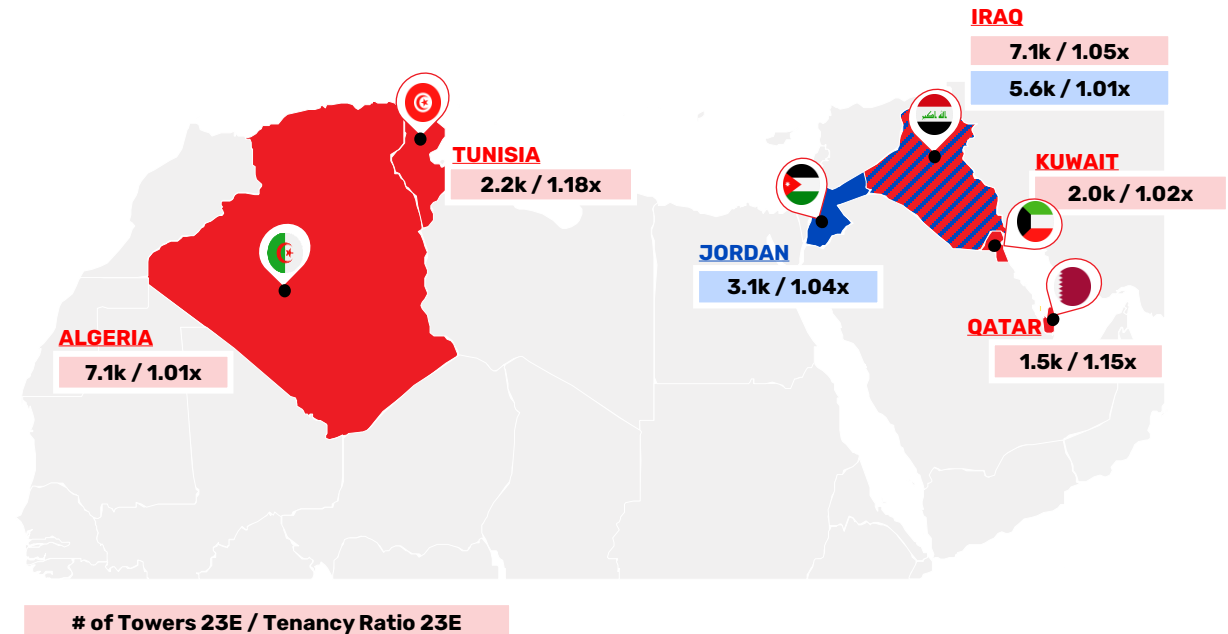
- **Leading Tower Company in the MENA region** operating across 6 markets in MENA
- Providing leasing of antenna & equipment space as well as power back up
- Serving markets with a **population of 120mn** and **20 wireless & FWA operators**
- TopCo incorporated in Netherlands
- Anchor Lease Agreements: Industry standard, long-term lease agreements signed with Ooredoo & Zain as anchor tenants. Ooredoo MLA at **10+10+5+5 renewal intervals**
- **New BTS Commitments of >1.8k** from Ooredoo (2024-2028) and ROFO for first five years on excess demand
- **Expected consolidation opportunity in Iraq** from combining the prior Ooredoo & Zain site portfolios (~ 15% plus sites as opportunity), with **benefit sharing between anchor tenants & “NEW TASC”**
- Indicative Financials - 2025E // all markets closed
  - Revenues: ~ US\$ 500mn
  - **EBITDAaL: ~ US\$ 200mn**
  - **EBITDAaL %: ~ 40-42%**
- Effective capital structure will be put in place along a staggered closing of individual markets

## STRONG FOOTPRINT IN MENA

Contributed by  
**ooredoo**

Contributed by  
**TASC TOWERS** **zain**

About **29k Towers** 2023E in  
**6 Countries**



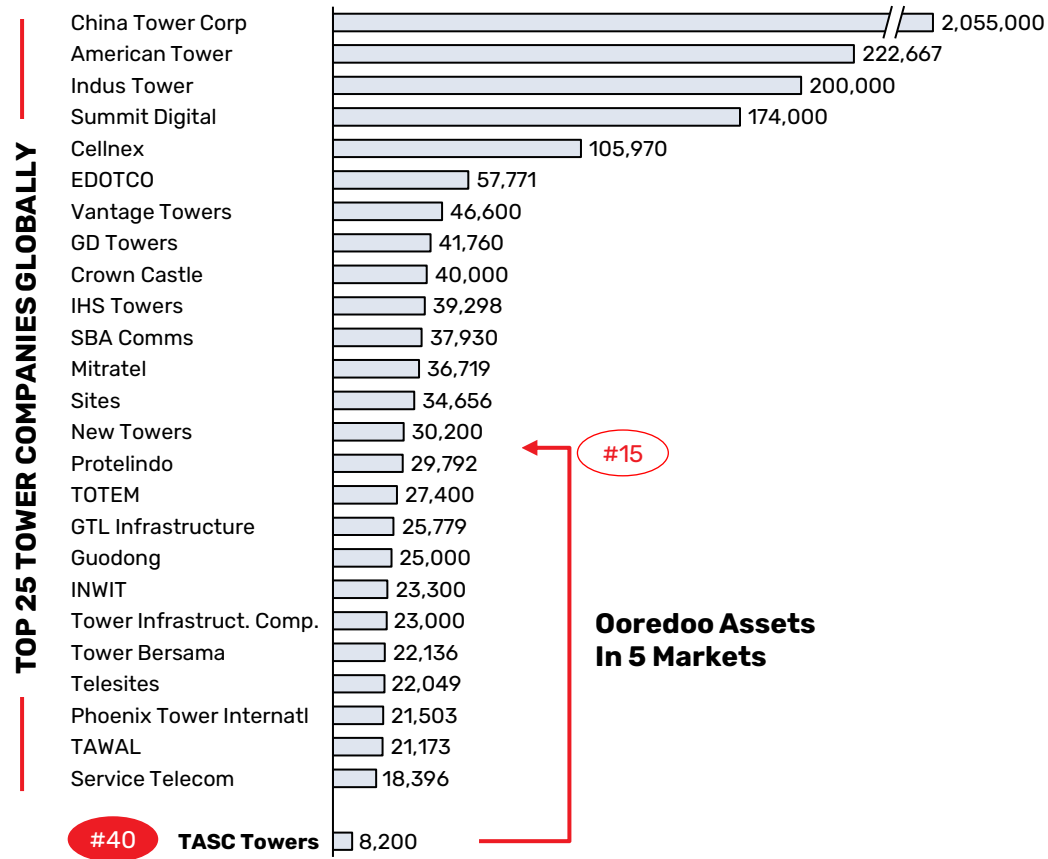


# Leading tower operator in MENA

"NEW TASC" will be the leading tower operator in the MENA region

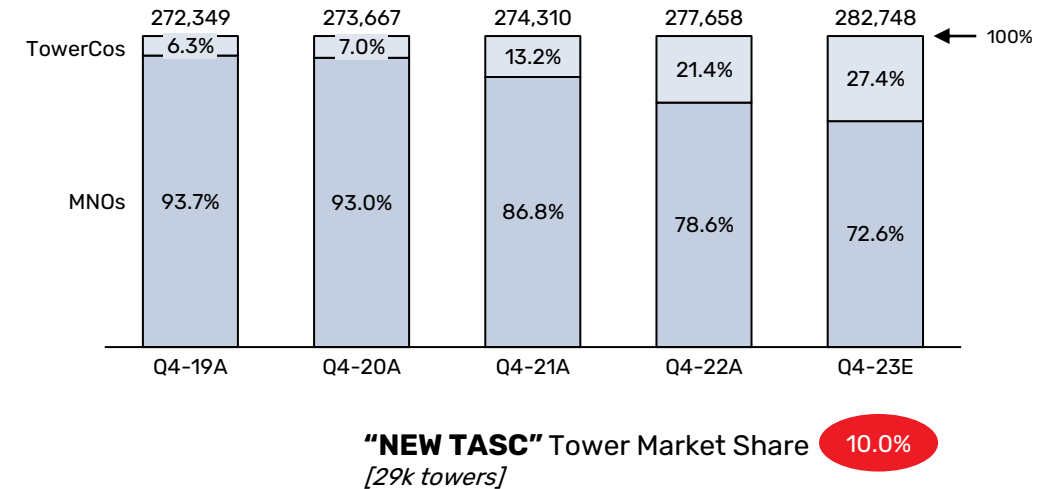
## GLOBAL TOP 20 TOWER COMPANIES

[ # OF TOWERS PER PLAYER ]



## MARKET SHARE IN MENA

[ # TOWERS SHARE OF MENA REGION ]



## SCALE BENEFITS

- Operating Scale for Functional Expertise, Standardization & Procurement, Energy Savings Initiatives etc.
- Expertise for Regional Operator & Regulator Relationships as opposed to Single Country Operators
- Financing Benefits based on Scale and Strong Anchor Shareholders

Source: TowerXChange, TASC as per League Table of TowerXChange

# Solid partnership for Ooredoo

Robust partnership with “NEW TASC” sustainably protects Ooredoo’s operations & economics



OPERATONAL PROTECTION

**SOLID SLAs & APPROACH TO NEW SITE DELIVERY**

PROTECTION OF STRATEGIC INTEREST

**STRATEGIC SITES CONCEPT FOR OOREDOO**

INFLATION PROTECTION

**CPI CAPS & COLLARS**

**PARTIAL FLOW THROUGH OF CPI ON RENT ESCALATORS**

CURRENCY DERISKING

**SERVICE & RENT FEES PAID IN LOCAL CURRENCY**

SYNERGIES

**PARTICIPATION IN CONSOLIDATION SYNERGIES**

PARTICIPATION IN BENEFITS FROM TENANCY GROWTH

**MECHANISM IN PLACE FOR BENEFITING FROM TENANCY UPLIFTS**



PARTICIPATION IN FUTURE VALUE APPRECIATION OF “NEW TASC”

**OOREDOO WILL REMAIN A SUBSTANTIAL SHAREHOLDER IN “NEW TASC”**

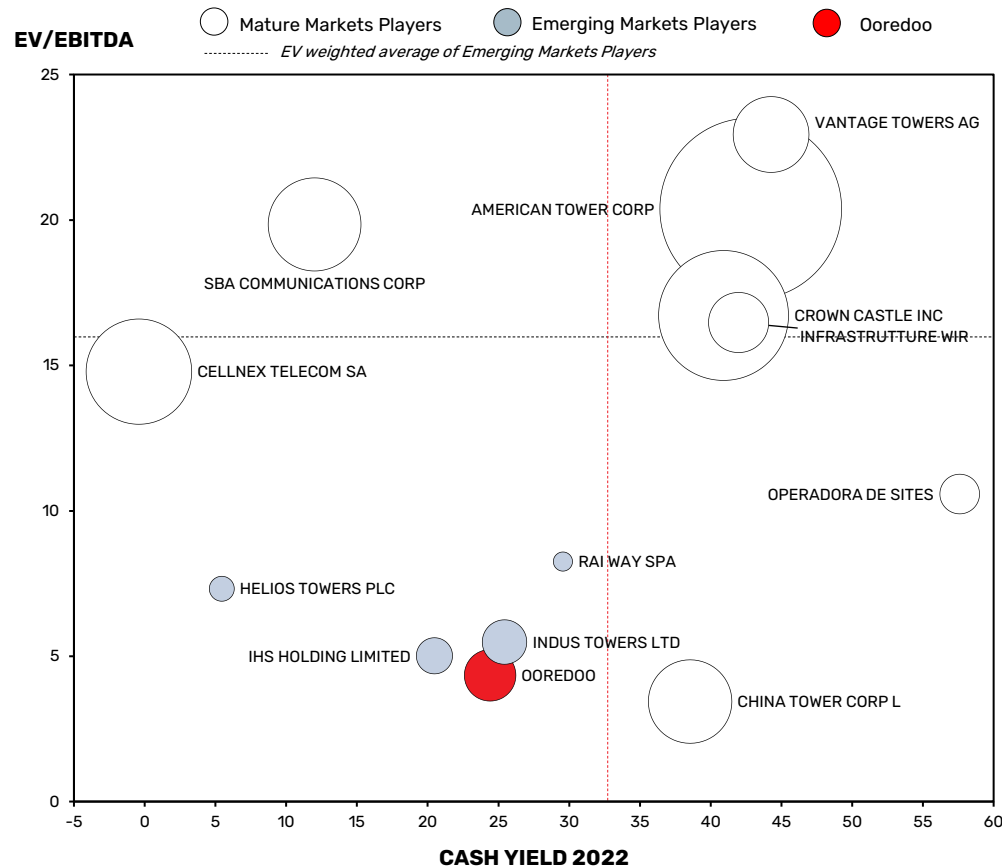


# Value Crystallization

The carve out of our assets and injection into “NEW TASC” will create shareholder value compared to the typical telco multiples

## EV/EBITDA MULTIPLES OF TOWER COMPANIES

EV/EBITDA LTM per 16.11.2023, CASH YIELD 2022A in %



## EV/EBITDAaL [LTM] MULTIPLE OF SAMPLE TOWER TRANSACTIONS

### MATURE & GCC MARKETS

GD Towers/ DigitalBridge & Brookfield	27.3
Telia Towers/ Brookfield & Alecta	27.2
Cellnex Nordics/ Stonepeak	24.0
Vantage Towers / GIP, KKR	21.9
United Group/Tawal	20.1
Omantel/Helios	15.4
New TASC (GCC)*	31.6

### EMERGING MARKETS

Eaton Towers/ATC	13.2
Veon/ Service Company [RUS]	11.7
Helios***	7.4
IHS***	5.0
Indus Towers***	5.0
China Towers***	3.4
New TASC (Non-GCC)**	7.9

## AV/TOWER FOR OOREDOO ASSETS [US\$/Tower]

Ø **US\$ 91k AV per Tower 2022**  
 18.9 Thsd Towers 2022A  
 ⇒ ~ **US\$ 1.7bn value of Ooredoo towers**

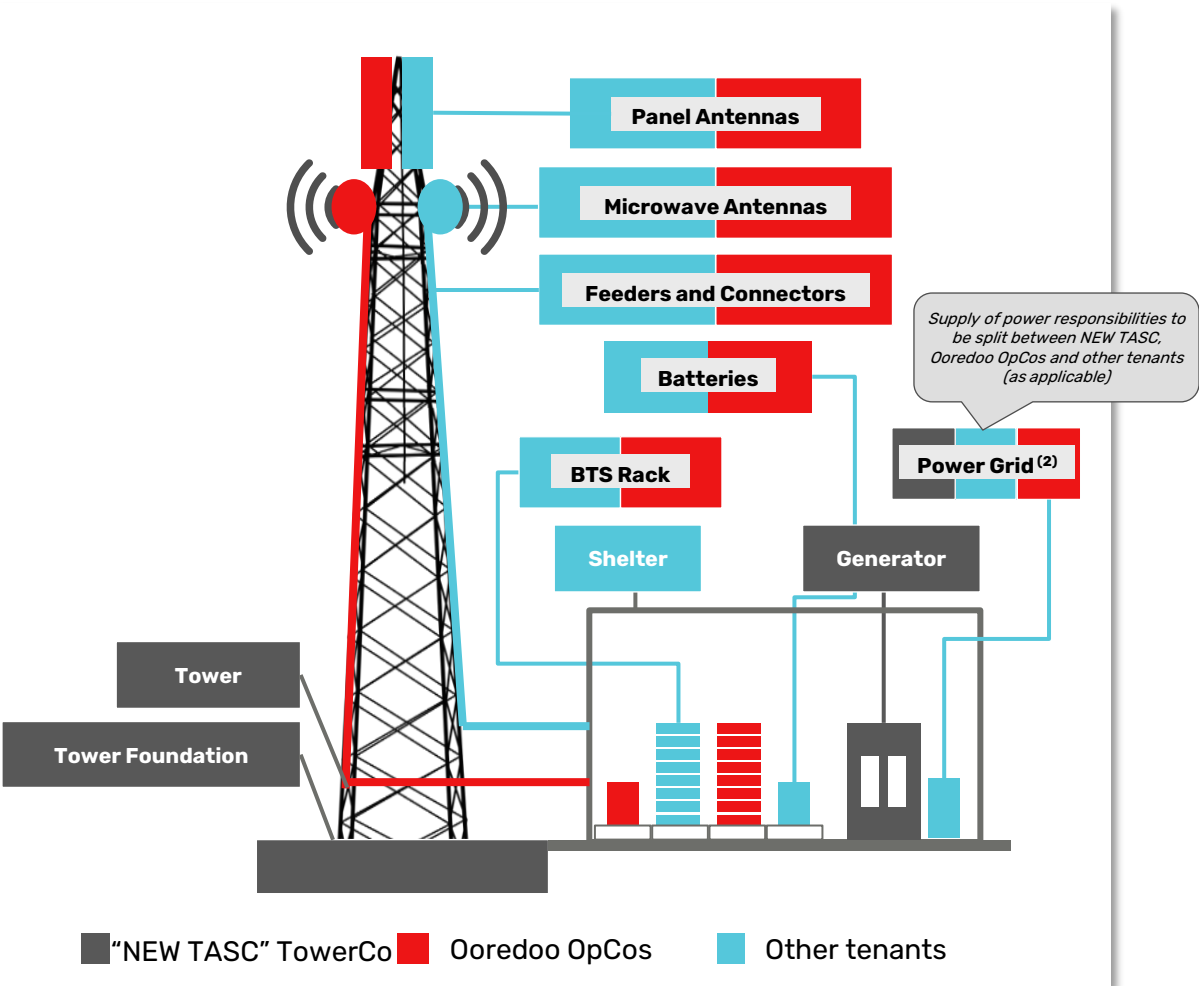
**13.2x** EV/EBITDAaL 22A PF  
 Vs ~ **5.0** EV/EBITDAaL 22\*\*\*\* of Ooredoo  
 ⇒ ~ **US\$ 1.0-1.1bn Add-On EV**

Source: Factset, 16.11.2023, TowerXChange Q3-2023, \* based on LTM (2022 pro forma EBITDAaL) (Qatar & Kuwait), \*\* based on LTM (2022 pro forma EBITDAaL) (Iraq, Algeria, Tunisia) \*\*\* Trading Multiples \*\*\*\* current EV as of 17.10.23 over EBITDAaL

# OOREDOO & “NEW TASC”.



“NEW TASC” will acquire Ooredoo’s passive infrastructure assets related to our tower operations and the corresponding operations



	Ooredoo OpCos	New TASC
Assets	RAN and microwave equipment Base Transceiver Station rack Batteries Grid power supply <sup>(2)</sup> Land <sup>(1)</sup>	Tower Tower foundation Shelters incl. AC and cooling Grid connection <sup>(2)</sup> Back up and off-grid
Contracts	Grid electrics <sup>(2)</sup> Active operations and maintenance	Existing tower contracts with 3 <sup>rd</sup> parties Passive operations and maintenance Ground lease
Tower Types	In Building Solution (IBS) Microsites Mobile Base Transceiver Station Removable sites (cell on wheels)	Greenfield Rooftop Hubs Repeaters

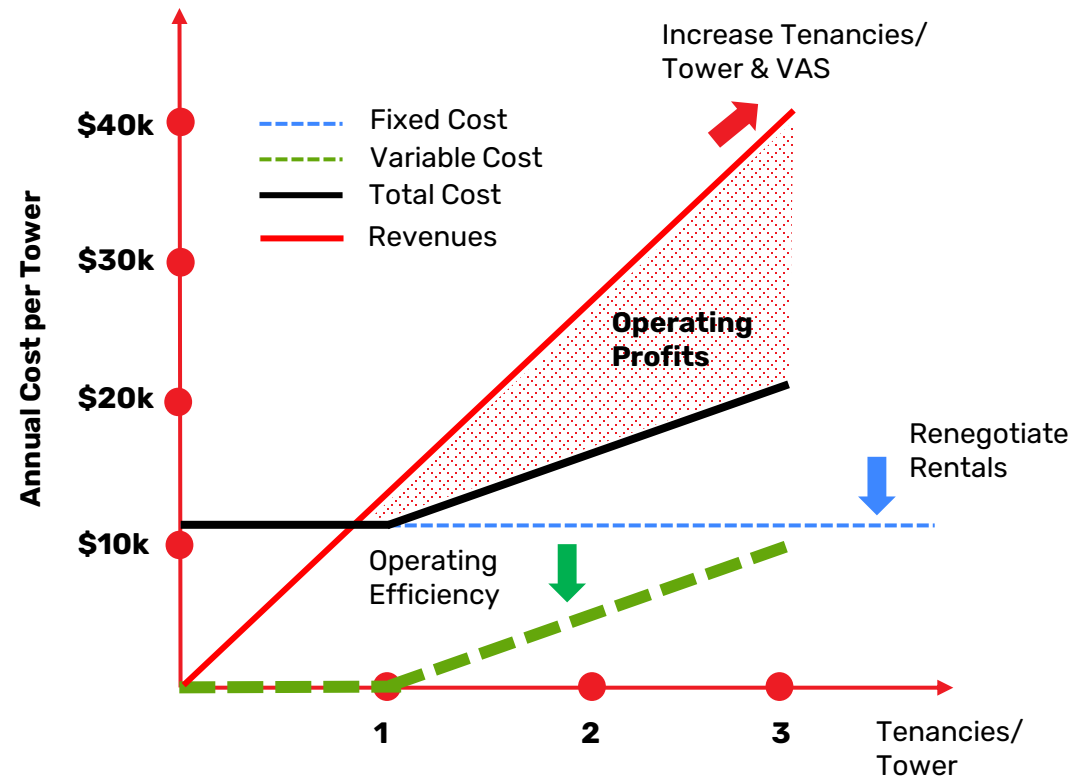
1) A number of sites where Ooredoo owns the land, mechanism reflected in lease agreement  
2) TowerCo will be responsible for connection to utility grid power and OpCo/other tenants will be responsible for reconciliation and settlement of grid power costs



# WIN-WIN Business model

Additional tenancies will drive growth in profits. Tower carve out & independent management facilitates a non-yielding asset to become a yielding asset

## SIMPLIFIED & ILLUSTRATIVE TOWERCO ECONOMICS



**STRONG OPERATING LEVERAGE**

## TYPICAL VALUE LEVERS



### Rationalization of Land Leases & Rentals



### Cost & Investment Optimization Through

- Pooling of Demand (e.g. Maintenance)
- Standardization of Site Builds/Configuration
- Operational focus on areas like Fuel Pilferage, Generator Replacements or General Energy Savings (⇒ ESG Impact)



### Onboarding of New Tenants

- New Site Demand driven by
  - Mobile Data Growth
  - Drive for Good Network Experience
  - Coverage Augmentation
- Consolidation of Overlapping Site Portfolios
- *Long-Term: exploring new tenancy categories*



### Efficient Financing Structures

- Using more debt leverage in light of different business model to improve return profile

# Predictable & attractive economics

The new tower company will benefit from industry trends and high reliability on financials



Sources: 1) Ericsson Mobile Data Traffic Outlook, July 2023

- 1 Continued Surge in Mobile Data Demand** Given Dominant Role Of Wireless Networks for Mobile & Stationary Broadband Connectivity in MENA  
*MENA Region: GB/Month per User at 2.3x in '28 vs. '23<sup>1)</sup>*
- 2 Opportunities from 5G Network Transition** Available In Several Footprints with No 5G Launch Yet or Only Recent Launch (Iraq, Algeria, Tunisia, Jordan)
- 3 Upsides From Additional Revenues (Lifts In Tenancy)** – “New TASC” will be operated as Independent TowerCo Offering Colocations In Markets With No Or Only Limited Offers So Far
- 4 Reliable Investment-Grade Tenants** – Solid Anchor Tenants That are Anchor Shareholders of “New TASC” and Have Long Run Tenancy Contracts & Substantial BTS Commitments
- 5 Operating Scale** – “New TASC” will be the Largest Cross-Country Tower Platform Focused in the MENA Region

Solid Demand for  
**New Sites & Tenancies**  
from Operators

**PREDICTABILITY**  
for Operators

# Two anchor shareholders



“NEW TASC” will have the support of two strong shareholders but will be managed by an independent management team



Ownership: **49.3%**  
Shareholders: Qatar Investment Authority  
Retirement & Pension Fund Qatar  
Ratings: **A/A-1<sup>1)</sup>** (Stable Outlook), **A2<sup>2)</sup>** (Stable Outlook)

**Overview:** Ooredoo is a leading operator in the MENA region serving its customers in 9 consolidated operations as well as through its affiliate IOH in Indonesia with a total of 156.1mn customers

## Highlights:

- LTM Revenue/EBITDA: US\$ 6,341 mn/ US\$ 2,462 mn
- Net Debt/Op. EBITDA: 0.69x
- Current Market Cap: US\$ 8,605 mn



Ownership: **49.3%**  
Shareholders: Kuwait Investment Authority  
Omantel

**Overview:** Zain is a leading operator in the MENA region serving its customers in 7 consolidated operations with a total of 52.7mn customers

## Highlights:

- LTM Revenue/EBITDA: US\$ 6,094mn / US\$ 2,317mn
- Net Debt/Op. EBITDA: 1.57x
- Current Market Cap: US\$ 6,738 mn



## STRATEGIC IMPORTANCE OF “NEW TASC” TO OOREDOO & ZAIN

- **Strategic relationship:** “NEW TASC” will be the primary provider to both Ooredoo and Zain for passive infrastructure in its footprint markets and hence essential for the operations of the networks of both operators. BTS commitments from both anchor tenants.
- **National champion:** “NEW TASC” will be either a first mover in its respective presence markets and/or the leading provider for passive infrastructure in its respective markets

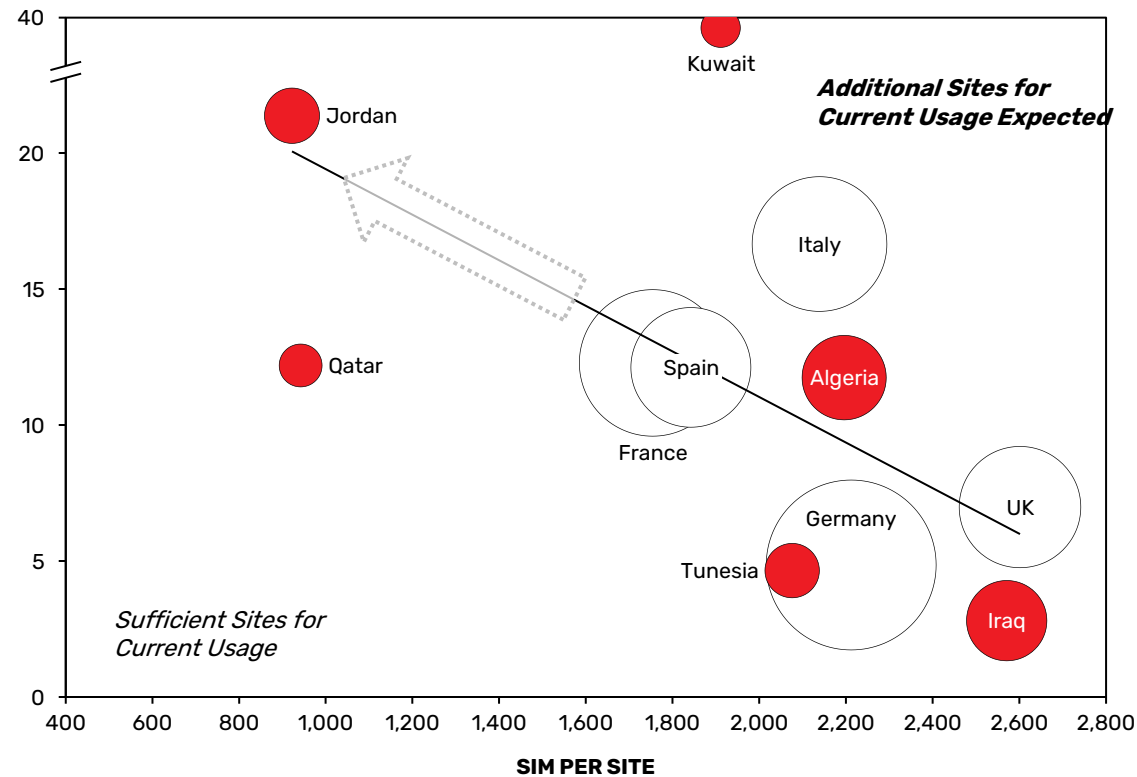
1) S&P 2) Moody's Note: Market Cap as per Nov 9<sup>th</sup>, 2023, Revenue & EBITDA of Zain per LTM Sept 2023, for Ooredoo per LTM Sept 2023, Source: Factset

# Attractive Growth markets



"NEW TASC" operates in markets where demand for further sites is expected to grow driven by growth in data usage and catch up on capacity

DATA USAGE PER SIM [GB/Month]



## More Data Usage Drives

- Need for Capacity Sites and/or
- Cell Site Splits and/or
- Additional Spectrum Allocation

## Data Usage Catch-Up Candidates

- Iraq
- Tunisia
- Algeria
- Qatar

## Capacity Catch-Up Candidates

- Kuwait
- Algeria
- Jordan

Sources: Global Data, November 2023, TowerXChange Q3-23

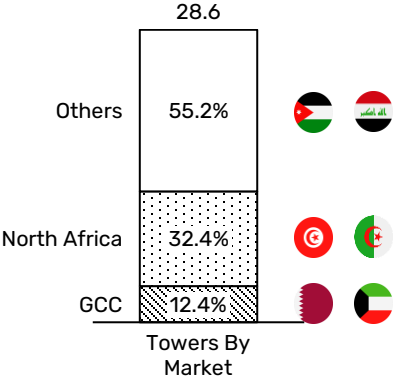
# Solid asset portfolio for growth



“NEW TASC” has a solid asset portfolio in strong markets and is well positioned to capture the growth opportunity from new tenancies

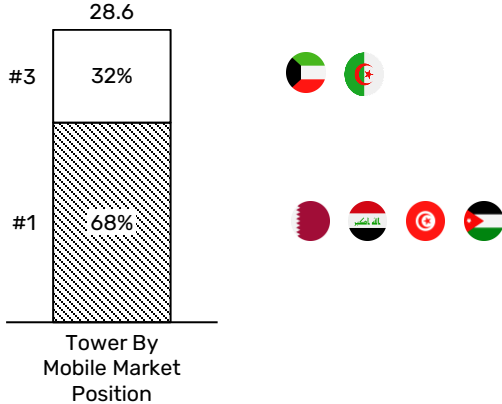
## TOWERS BY GEO-CLUSTER

Per 2023 Projected [Thsd. Towers, % of Total], assuming all assets consolidated under New TASC



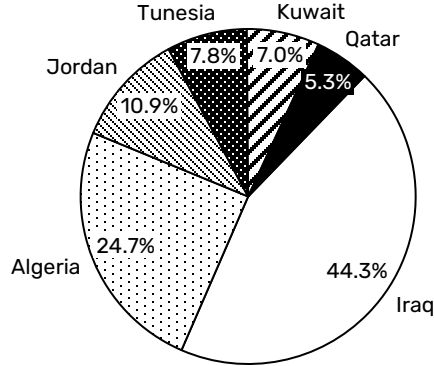
## TOWERS BY MARKET POSITION

Per 2023 Projected [Thsd. Towers, % of Total], assuming all assets consolidated under New TASC



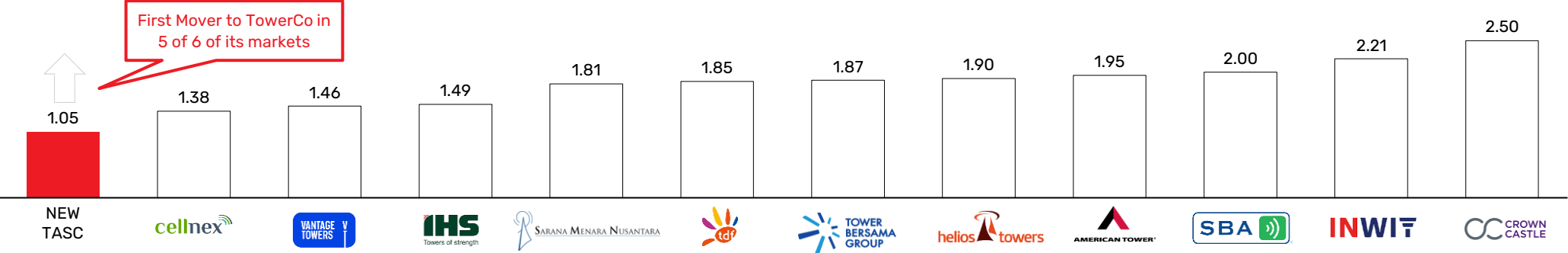
## TOWERS BY COUNTRY

Per 2023 Projected [Thsd. Towers, % of Total], assuming all assets consolidated under New TASC



## TENANCY GROWTH UPSIDE - MARKETS ARE AT AN EARLY STAGE FOR SHARING OF PASSIVE INFRASTRUCTURE

Tenancy Ratio<sup>1)</sup>



<sup>1)</sup> Number of Tenancies over Number of Sites, Source: last available tower operator reports

# Attractive Macro environment

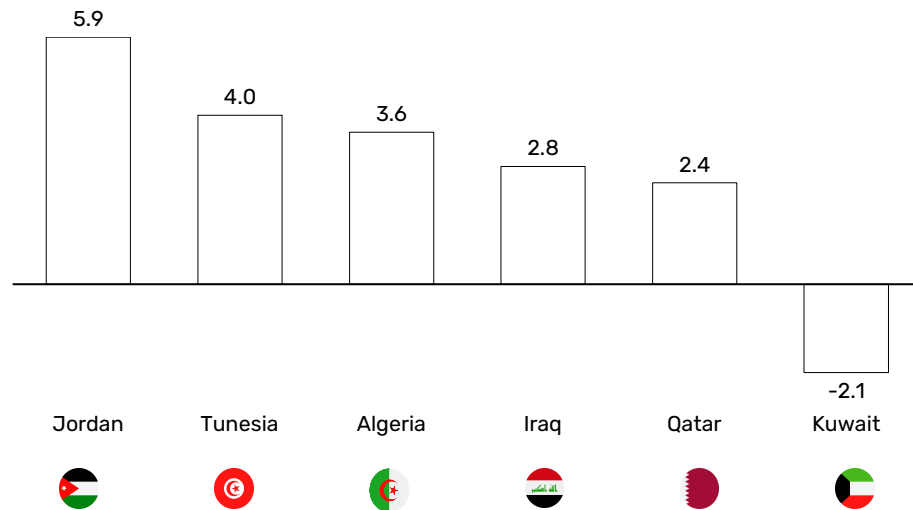


Market portfolio of “NEW TASC” has an attractive macroeconomic profile. Iraq is for “NEW TASC” the key market

## ECONOMIC GROWTH

CAGR 2022–2026, GDP in US\$ at Current Prices

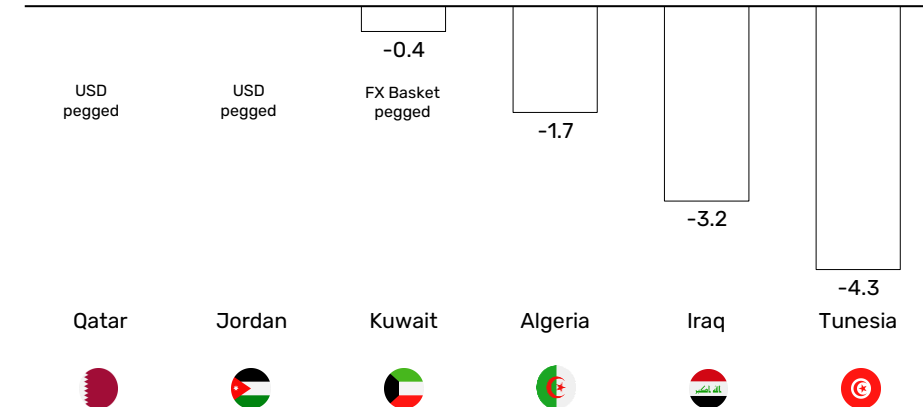
Source: IMF, April 2023



## LIMITED CURRENCY RISK

Average Annual L3Y Appreciation/(Depreciation) vs US\$

Source: Factset

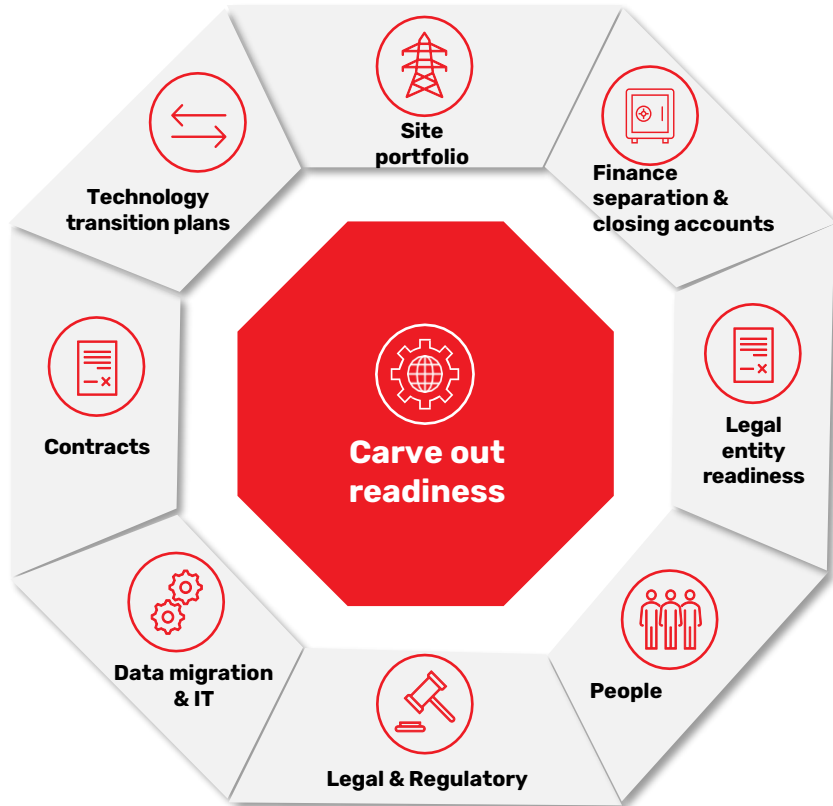


**SOLID & ATTRACTIVE MACROECONOMIC  
ENVIRONMENT FOR “NEW TASC”**

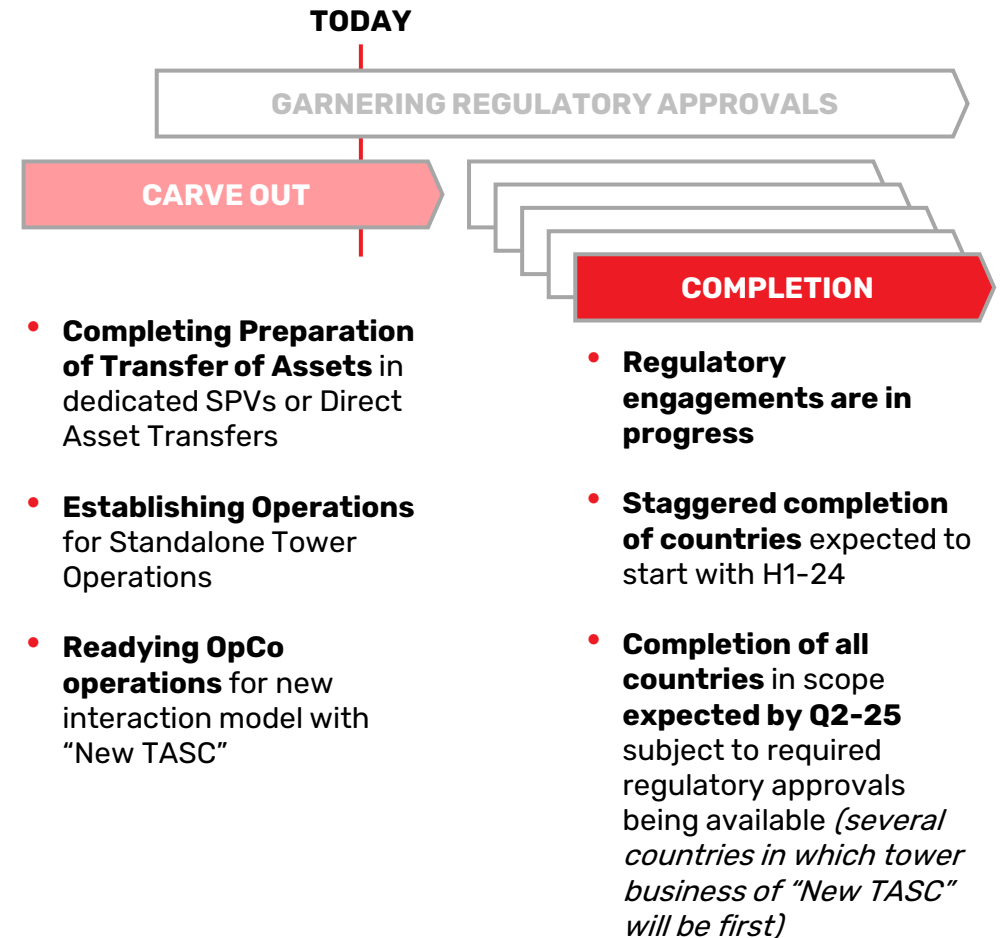
# Approach and Next steps



## DIMENSIONS OF CARVE OUT APPROACH



## HIGH LEVEL NEXT STEPS



# Transaction approach & impact on Ooredoo



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## TRANSACTION APPROACH



- Following the transaction, Ooredoo Group will own **49.3% shareholding** in the independent tower company
- This ownership will become effective after the first closing
- Afterwards, at each closing, the relevant Ooredoo towers will be contributed to the tower company for each country

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## IMPACT ON OOREDOO FINANCIALS



- The Towerco financials will **not be consolidated into Ooredoo Group** and “**New TASC**” will be treated as joint venture company
- **Ooredoo will not consolidate the Towerco debt.** The Towerco is expected to raise its own financing for growth

# THANK YOU

Upgrade your world.  
Upgrade your portfolio.

ooredoo<sup>®</sup>