



Towerco of Africa Presentation in Support of TIC Certifications

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Towerco of Africa Tanzania-

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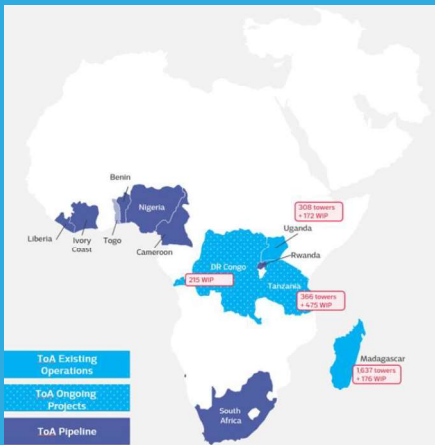
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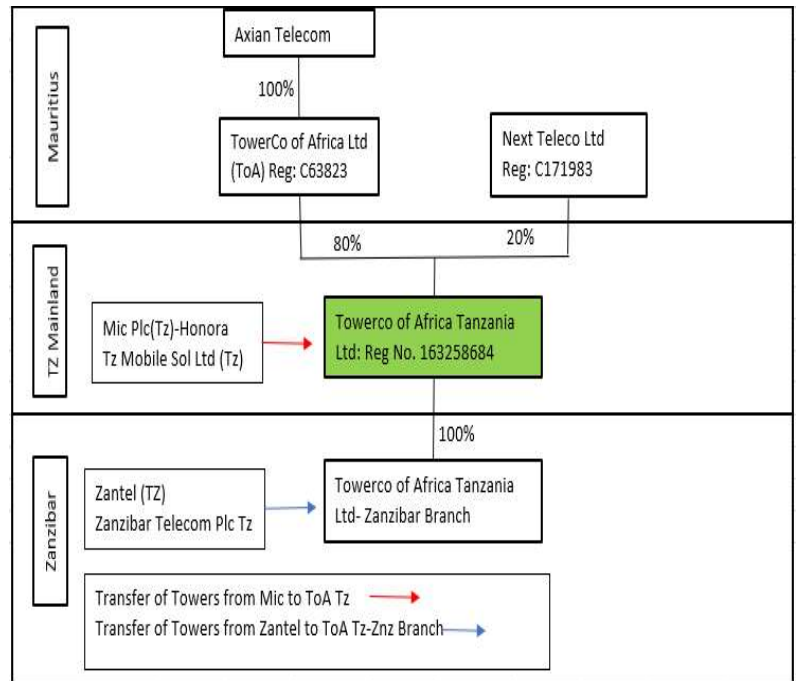
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Towerco Of Africa Tanzania (ToA Tz)- Company Profile

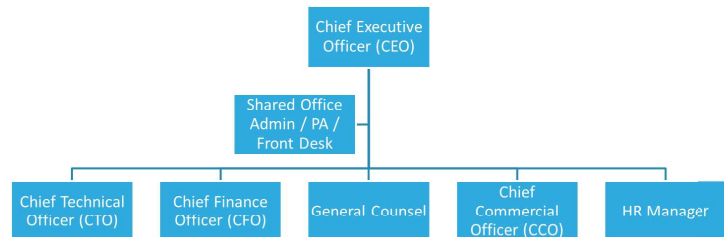
- Incorporation
- ToA Tz was incorporated in Tanzania on 14th Feb 2023
- The company is part of Towerco of Africa which in turn is part of the Axian Telecom



Ownership Structure



Organization



Office	# resources
CEO Office	2
CTO	20 (for small ToCo ~300 sites)
CFO	12
General Counsel	1
CCO	1
HRM	1
TOTAL	37 (for small ToCo)

Towerco Of Africa Tanzania (ToA Tz)- Company Profile

- Organization

- The company organization structure has be designed to deliver company strategy of being efficient and agile
- Few layers from top to bottom
- Employed staff and to employed are/will predominantly be local to adhere to local content and provide job opportunities to local Tanzanians

Strategic Plan

- Site Acquisition
- Towerco Of Africa upon being Licensed will acquire Sites currently owned by Mic Tanzania 406
- The sites are located in all regions of the country in different categories mainly Macro and UCSAF sites
 - 150 Macro Site
 - 33 Power Only Sites
 - 184 UCSAF sites
 - 6 Secondary Data Centers
 - 3 Primary Data Center not part of the consideration at this stage.
 - 5 COW
 - 2 IBS
 - 23 Micro/Pico sites

Planned Acquisition Sites

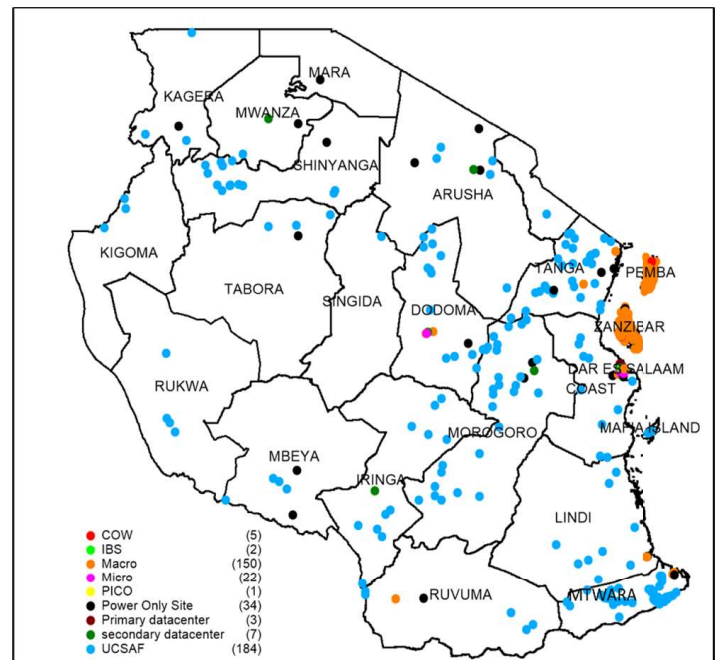


Region	COW Sites	IBS	Macro Sites	Micro Sites	Pico Sites	Power Only Sites	Primary DC	Secondary DC	UCSAF Sites	Grand Total
Arusha						3		1	4	8
Dar es salaam		2	4	21	1	7	2		1	38
Dodoma			2	1		1		1	13	18
Geita									11	11
Iringa									5	5
Kagera						1			3	4
Kaskazini Pemba	1		20							21
Kaskazini Unguja			18			1				19
Katavi									1	1
Kigoma									3	3
Kilimanjaro									1	1
Kusini Pemba			24			2		1		27
Kusini Unguja	1		19			1				21
Lindi			1			1			9	11
Manyara									1	1
Mara						1				1
Mbeya						2			2	4
Mjini Magharibi	3		57			1	1			62
Morogoro						2		1	29	32
Mtwara			2			1			39	42
Mwanza						1		1		2
Njombe								1	6	7
Pwani						1			11	12
Rukwa									3	3
Ruvuma			1			1			5	7
Shinyanga									2	2
Simiyu						1			1	2
Singida									1	1
Songwe									2	2
Tabora						1			3	4
Tanga			2			4			28	34
Grand Total	5	2	150	22	1	33	3	6	184	406

Strategic Plan

- Site Acquisition
- Planned acquired sites are spread across the country both mainland and Zanzibar
- Site will be acquired on a sales and lease back arrangement with Mic Tanzania where Mic will be an immediate Anchor tenant on all acquired sites
- Presently Other operators have shown interest in colocating in more than half of the to be acquired sites.

Acquisition Sites



Strategic Plan

- New Sites Deployment
- Towerco of African has solid plans to increase site portfolio by doubling the acquired sites inside the next 3 year
- Short term horizon, ToA Tz plans to deploy 200 new sites in 2023/2024. Contract for deployment of such sites are ready pending TCRA License

New Site Deployment 2023/2024



		2023	2024	2025	2026	2027	2028	2029	2030
KPIs									
New BTS	#	87	167	100	80	50	50	50	50
New SLB Towers	#	361	-	-	-	-	-	-	-
New SLB Sec DC	#	7	-	-	-	-	-	-	-
New SLB Power Only	#	37	-	-	-	-	-	-	-
Towers EoP	#	492	659	759	839	889	939	989	1,039

Business Plan-Financials

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
P&L													
Tigo	TZSm	14,547	39,318	50,126	57,923	63,878	68,863	73,971	79,176	82,186	83,296	84,423	85,566
Vodacom	TZSm	4,154	18,565	25,065	28,447	32,317	36,249	40,245	44,305	48,429	52,619	56,876	61,200
Non-GSM	TZSm	119	240	242	244	246	248	250	252	255	257	259	261
Others	TZSm	4,834	9,279	5,556	4,445	2,778	2,778	2,778	2,778	-	-	-	-
Revenue	TZSm	23,654	67,402	80,989	91,059	99,219	108,138	117,245	126,511	130,870	136,173	141,558	147,027
Growth (%)	%	n.a.	184.9%	20.2%	12.4%	9.0%	9.0%	8.4%	7.9%	3.4%	4.1%	4.0%	3.9%
Diesel	TZSm	(3,864)	(10,866)	(13,664)	(15,503)	(17,038)	(18,388)	(19,760)	(21,145)	(22,121)	(22,751)	(23,391)	(23,948)
Electricity	TZSm	(1,678)	(5,238)	(6,715)	(7,622)	(8,462)	(9,242)	(10,035)	(10,832)	(11,488)	(12,029)	(12,579)	(13,086)
Operation & Maintenance	TZSm	(551)	(161)	(97)	(78)	(49)	(50)	(50)	(51)	-	-	-	-
Permit & Fees	TZSm	(603)	(1,719)	(2,065)	(2,322)	(2,530)	(2,758)	(2,990)	(3,226)	(3,337)	(3,472)	(3,610)	(3,749)
Ground Lease/Insurance	TZSm	(537)	(1,383)	(1,707)	(1,936)	(2,108)	(2,248)	(2,390)	(2,535)	(2,614)	(2,636)	(2,658)	(2,680)
Security	TZSm	(1,363)	(3,512)	(4,336)	(4,918)	(5,353)	(5,710)	(6,071)	(6,439)	(6,639)	(6,694)	(6,750)	(6,806)
Others	TZSm	(579)	(1,492)	(1,842)	(2,089)	(2,274)	(2,426)	(2,579)	(2,735)	(2,820)	(2,844)	(2,868)	(2,891)
Cost of sales	TZSm	(9,176)	(24,371)	(30,426)	(34,470)	(37,814)	(40,821)	(43,875)	(46,962)	(49,019)	(50,426)	(51,854)	(53,161)
Growth (%)	%	n.a.	165.6%	24.8%	13.3%	9.7%	7.9%	7.5%	7.0%	4.4%	2.9%	2.8%	2.5%
Gross Profit	TZSm	14,478	43,032	50,563	56,589	61,404	67,318	73,369	79,548	81,851	85,746	89,704	93,866
Gross Margin (%)	%	61.2%	63.8%	62.4%	62.1%	61.9%	62.3%	62.6%	62.9%	62.5%	63.0%	63.4%	63.8%
SG&A	TZSm	(4,770)	(12,606)	(13,963)	(14,367)	(14,203)	(13,897)	(13,353)	(12,557)	(9,161)	(9,532)	(9,909)	(10,292)
Management Fees / Tech Services	TZSm	(946)	(2,696)	(3,240)	(3,642)	(3,969)	(4,326)	(4,690)	(5,060)	(5,235)	(5,447)	(5,662)	(5,881)
EBITDA	TZSm	8,762	27,729	33,361	38,580	43,233	49,095	55,327	61,931	67,456	70,767	74,133	77,693
EBITDA Margin (%)	%	37.0%	41.1%	41.2%	42.4%	43.6%	45.4%	47.2%	49.0%	51.5%	52.0%	52.4%	52.8%
Depreciation & Amort.	TZSm	(3,759)	(9,036)	(11,507)	(13,820)	(16,016)	(16,565)	(17,298)	(19,747)	(19,665)	(19,184)	(18,212)	(17,056)
Depreciation IFRS 16 lease	TZSm	(1,009)	(2,693)	(3,425)	(3,970)	(4,399)	(4,769)	(5,152)	(5,549)	(5,800)	(5,922)	(6,046)	(6,137)
Impairment, Exceptional & Other	TZSm	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	TZSm	3,994	16,000	18,429	20,790	22,818	27,760	32,876	36,635	41,991	45,661	49,875	54,501
EBIT Margin (%)	%	16.9%	23.7%	22.8%	22.8%	23.0%	25.7%	28.0%	29.0%	32.1%	33.5%	35.2%	37.1%
Interest & Fees Bank	TZSm	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees InterCo	TZSm	(1,474)	(3,904)	(6,111)	(8,144)	(8,779)	(8,622)	(8,161)	(6,859)	(5,235)	(4,338)	(3,438)	(2,538)
Ground lease Accrued Interest (under IFRS 16)	TZSm	(398)	(1,022)	(1,237)	(1,361)	(1,430)	(1,468)	(1,499)	(1,523)	(1,499)	(1,438)	(1,376)	(1,347)
Other Financing	TZSm	(171)	(824)	(942)	(666)	(455)	(184)	5	47	47	47	47	47
EBT	TZSm	1,951	10,250	10,140	10,620	12,153	17,486	23,221	28,300	40,538	44,269	48,546	53,201
Tax	TZSm	(1,027)	(4,246)	(4,875)	(5,629)	(6,280)	(7,832)	(9,415)	(10,548)	(12,161)	(13,281)	(14,564)	(15,960)
Net Profit/(Loss)	TZSm	923	6,004	5,264	4,991	5,874	9,654	13,806	17,752	28,377	30,989	33,982	37,240

Business Plan-Financials

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
P&L													
Tigo	TZSm	28,816	39,318	50,126	57,923	63,878	68,863	73,971	79,176	82,186	83,296	84,423	85,566
Vodacom	TZSm	7,869	18,565	25,065	28,447	32,317	36,249	40,245	44,305	48,429	52,619	56,876	61,200
Non-GSM	TZSm	238	240	242	244	246	248	250	252	255	257	259	261
Others	TZSm	4,834	9,279	5,556	4,445	2,778	2,778	2,778	2,778	-	-	-	-
Revenue	TZSm	41,757	67,402	80,989	91,059	99,219	108,138	117,245	126,511	130,870	136,173	141,558	147,027
Growth (%)	%	n.a.	61.4%	20.2%	12.4%	9.0%	9.0%	8.4%	7.9%	3.4%	4.1%	4.0%	3.9%
Diesel	TZSm	(7,924)	(11,185)	(13,985)	(15,827)	(17,365)	(18,718)	(20,092)	(21,480)	(22,458)	(23,092)	(23,734)	(24,293)
Electricity	TZSm	(4,213)	(6,179)	(7,664)	(8,579)	(9,427)	(10,215)	(11,015)	(11,821)	(12,485)	(13,035)	(13,593)	(14,105)
Operation & Maintenance	TZSm	(6,103)	(7,602)	(9,116)	(10,157)	(10,907)	(11,501)	(12,100)	(12,704)	(12,982)	(12,982)	(12,982)	(12,982)
Permit & Fees	TZSm	(1,065)	(1,719)	(2,065)	(2,322)	(2,530)	(2,758)	(2,990)	(3,226)	(3,337)	(3,472)	(3,610)	(3,749)
Ground Lease/Insurance	TZSm	(1,064)	(1,383)	(1,707)	(1,936)	(2,108)	(2,248)	(2,390)	(2,535)	(2,614)	(2,636)	(2,658)	(2,680)
Security	TZSm	(2,704)	(3,512)	(4,336)	(4,918)	(5,353)	(5,710)	(6,071)	(6,439)	(6,639)	(6,694)	(6,750)	(6,806)
Others	TZSm	(1,149)	(1,492)	(1,842)	(2,089)	(2,274)	(2,426)	(2,579)	(2,735)	(2,820)	(2,844)	(2,868)	(2,891)
Cost of sales	TZSm	(24,222)	(33,072)	(40,715)	(45,829)	(49,964)	(53,575)	(57,238)	(60,940)	(63,336)	(64,755)	(66,193)	(67,507)
Growth (%)	%	n.a.	36.5%	23.1%	12.6%	9.0%	7.2%	6.8%	6.5%	3.9%	2.2%	2.2%	2.0%
Gross Profit	TZSm	17,536	34,330	40,274	45,229	49,255	54,564	60,006	65,571	67,534	71,418	75,364	79,521
Gross Margin (%)	%	42.0%	50.9%	49.7%	49.7%	49.6%	50.5%	51.2%	51.8%	51.6%	52.4%	53.2%	54.1%
SG&A	TZSm	4,697	6,215	5,826	4,704	3,114	1,201	(1,075)	(3,725)	(9,161)	(9,532)	(9,909)	(10,292)
Management Fees / Tech Services	TZSm	(1,670)	(2,696)	(3,240)	(3,642)	(3,969)	(4,326)	(4,690)	(5,060)	(5,235)	(5,447)	(5,662)	(5,881)
EBITDA	TZSm	20,563	37,849	42,860	46,291	48,399	51,439	54,241	56,785	53,138	56,439	59,793	63,348
EBITDA Margin (%)	%	49.2%	56.2%	52.9%	50.8%	48.8%	47.6%	46.3%	44.9%	40.6%	41.4%	42.2%	43.1%
Depreciation & Amort.	TZSm	(4,558)	(10,787)	(14,086)	(17,195)	(19,787)	(19,807)	(20,015)	(21,935)	(21,216)	(20,440)	(19,467)	(18,311)
Depreciation IFRS 16 lease	TZSm	(1,991)	(2,693)	(3,425)	(3,970)	(4,399)	(4,769)	(5,152)	(5,549)	(5,800)	(5,922)	(6,046)	(6,137)
Impairment, Exceptional & Other	TZSm	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	TZSm	14,014	24,369	25,349	25,126	24,213	26,863	29,074	29,301	26,122	30,077	34,280	38,899
EBIT Margin (%)	%	33.6%	36.2%	31.3%	27.6%	24.4%	24.8%	24.8%	23.2%	20.0%	22.1%	24.2%	26.5%
Interest & Fees Bank	TZSm	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Fees InterCo	TZSm	(2,025)	(4,139)	(4,568)	(5,385)	(5,705)	(5,602)	(5,231)	(4,078)	-	-	-	-
Ground lease Accrued Interest (under IFRS 16)	TZSm	(795)	(1,022)	(1,237)	(1,361)	(1,430)	(1,468)	(1,499)	(1,523)	(1,499)	(1,438)	(1,376)	(1,347)
Other Financing	TZSm	(302)	(865)	(1,025)	(792)	(559)	(259)	(50)	(3)	(3)	(3)	(3)	(3)
EBT	TZSm	10,892	18,344	18,519	17,568	16,519	19,534	22,293	23,697	24,620	28,635	32,900	37,549
Tax	TZSm	(3,875)	(6,745)	(6,926)	(6,892)	(6,667)	(7,541)	(8,257)	(8,332)	(7,386)	(8,591)	(9,870)	(11,265)
Net Profit/(Loss)	TZSm	7,017	11,599	11,593	10,696	9,852	11,993	14,036	15,365	17,234	20,045	23,030	26,284

Business Plan -Financial

• Pricing Structure

- Towerco of African intends to charge it's customers competent market price so as to promote competition amongst similar service providers and subsequently promote efficiencies along the whole eco system
- The SLB contract with MIC TZ will allow Towerco of Africa Tanzania to cover its initial overhead and ReCapex and should allow the company to be EBIDTA positive after one year of Operation. ToA Tz expects to grow revenue by building new Sites and accommodate New Colocation Tenant on existing Sites. The Planned EBIDTA % is expected to grow from 37% to 48% over time

Proposed Site Rental Price Structure



	Unit	per month in USD		
		Hosting	Energy	Total
<u>Tigo</u>				
SLB rooftop on-grid	TZSm	975	975	1,950
SLB greenfield on-grid	TZSm	780	1,170	1,950
SLB greenfield off-grid	TZSm	860	1,290	2,150
SLB Secondary DC	TZSm	7,897	11,845	19,742
SLB Power Only	TZSm		1,000	1,175
BTS rooftop on-grid	TZSm	980	1,470	2,450
BTS greenfield on-grid	TZSm	980	1,470	2,450
BTS greenfield off-grid	TZSm	1,200	1,800	3,000
DAS on-grid	TZSm	980	1,470	2,450
<u>GSM (Vodacom/Airtel/Halotel)</u>				
SLB Colo on-grid	TZSm	780	1,170	1,950
SLB Colo off-grid	TZSm	980	1,470	2,450
Colo on-grid	TZSm	940	1,410	2,350
Colo off-grid	TZSm	1,180	1,770	2,950
<u>Non-GSM</u>				
Base price	TZSm	490	735	1,225

Business Plan -Financial

- Investment

- TowerCo of Africa intend to spend 40Bil in the first year (6months of operation) and subsequently 63 Billion TZS of Capex the year after. An average 27 billion TZS the following years depending on Build to suit intensity, Colo demand (Extra Power) and innovation to be deployed

Capital Investment



		2023	2024	2025	2026	2027	2028	2029	2030
Capex									
BTS / DAS	TZSm	(23,670)	(45,782)	(27,643)	(22,299)	(14,053)	(14,170)	(14,288)	(14,407)
Augmentation Colocation	TZSm	(10,601)	(10,682)	(2,657)	(3,620)	(3,650)	(3,681)	(3,712)	(3,742)
Augmentation Extra Power / Space	TZSm	(236)	(237)	(239)	(241)	(243)	(245)	(247)	-
Revenue Generating Capex	TZSm	(34,506)	(56,701)	(30,539)	(26,160)	(17,947)	(18,096)	(18,247)	(18,149)
Consolidation	TZSm	-	-	-	-	-	-	-	-
Purchased land for existing sites and BTS	TZSm	-	-	-	-	-	-	-	-
Other Opex savings	TZSm	-	-	-	-	-	-	-	-
Opex Saving Capex	TZSm	-	-	-	-	-	-	-	-
Refurbishment	TZSm	(1,234)	(2,848)	(2,848)	(759)	-	-	-	-
RMS	TZSm	(3,476)	(3,476)	(3,476)	(3,476)	-	-	-	-
Other discretionary & non-recurring	TZSm	-	-	-	-	-	-	-	-
Other Capex	TZSm	(4,710)	(6,324)	(6,324)	(4,235)	-	-	-	-
Discretionary Capex	TZSm	(39,216)	(63,025)	(36,863)	(30,395)	(17,947)	(18,096)	(18,247)	(18,149)
Maintenance	TZSm	-	-	-	-	(2,104)	(4,680)	(5,712)	(6,457)
Corporate	TZSm	(71)	(202)	(243)	(273)	(298)	(324)	(352)	(380)
Non-discretionary Capex	TZSm	(71)	(202)	(243)	(273)	(2,402)	(5,004)	(6,064)	(6,837)
Total Capex	TZSm	(39,287)	(63,227)	(37,106)	(30,668)	(20,349)	(23,100)	(24,311)	(24,986)

Social economic Impact

- New Sites Deployment
- **As Strategic Investor, Towerco of African will stimulate social economic activities that will positively contribute in livelihoods of Tanzanians**
 - Direct contribution to government revenues
 - Job Creation, direct & Indirect
 - Connectivity that will enhance communication and commerce

- **Social Economic.**

- Enable to connect the unconnected which has direct correlation to improved livelihood.
- Support MNO's and government digitization strategy of the population and commerce
- Through MNO's and other service providers improve financial inclusion in the rural setting
- Job creation both direct and indirect throughout the life cycle of the sites; design, construction and maintenance. Direct employment presently at 37 persons
- Contribute to government revenue collection though taxes and relevant levies

- **Green Energy:**

- Grid as primary source of energy where grid connection is available
- Solar energy as primary source of energy for off grid sites.
- Battery capacity enough to store energy up to 2 days
- Advanced Lithium battery technology with high number of charge/discharge cycles; long life and hence reduce waste

Key Direct Financial Contribution to Government Revenue:

- Annual License Fee
- UCSAF Contribution
- VAT
- PAYE
- Import Duty
- Corporate Tax
- Municipal Levies

Customer Service

- **Master Tower Service Agreement (MTSA) shall form the basis of service delivery to our customers**
- **3 Pillar of service delivery excellence shall be deployed**
 - Competent Work force
 - Tools: this shall include a 24/7 manned Network Operation Center that will be monitoring the network at all times. All sites will be connected to real-time remote management system, RMS
 - Process: These will include among others event management process. In addition governance protocol shall be adhered to as per the MTSA

• **Customer Service.**

- **Our customers care strategy is focused around maximizing Site/Power availability by multiplying sources of power supply using hybrid technology (grid, GE, Solar, Batteries, gas, wind,...), Deploying Rapidly New sites (BTS) with a target of 120 days using efficient vendors already present in Tanzania, providing accurate billing by automating the process (using Site Management System, Remote Monitoring System and ERP).**
- **TowerCo of Africa Tanzania developed a number of processes geared toward achieving superior customer satisfaction and being able to handle customer complaints in an efficient way. Event Management Process geared toward fast handling of Customer Complaints and Sites downtime involving at its core our fully automated and interconnected (with MNO) NOC (Network Operation Center and call center), Field Engineers and Regional Managers.**

Conclusion

- Towerco of Africa intends to be part of Tanzania journey towards improved communication and digitization strategy by enabling Mobile Network Operators (MNO's) and other service providers to reach the intended mass
- ToA Tz is thus looking forward to a speedy process of the impending License application. This will unlock other steps that are dependent on the License in question such as, Business License, Vat Certificate, FCC approval, TIC certificate etc



THANK YOU



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