

Project Nigat - Partial Privatisation of Ethio Telecom
Investment Teaser

M&A 



Glossary	3
The opportunity	4
Transaction structure	5
Telecom industry overview	6
Ethiopia macroeconomic overview	7
Company overview	12
Future growth avenues	17
Deloitte disclaimer	18

Gladys Makumi

Lead Engagement Director

Director | Financial Advisory Leader

Office tel: +254 719 039 331

Mobile: +254 714 056 510

Email: gmakumi@deloitte.co.ke

Tewodros Sisay

Transaction Advisory Lead

Associate Director | Financial Advisory

Office tel: +254 20 4230 000

Mobile: +254 713 666 435

Email: tsisay@deloitte.co.ke

Sandeep Negi

Privatisation Expert

Partner | Financial Advisory

Office tel: +91 124 679 2144

Mobile: (+91) 98108 53754

Email: snegi@deloitte.com

Important Notice

This teaser is strictly private and confidential to the Recipient Party.

The teaser must not be recited or referred to in any document, or copied or made available (in whole or in part) to any other party.

We reserve the right to add, delete and/or amend this teaser as appropriate

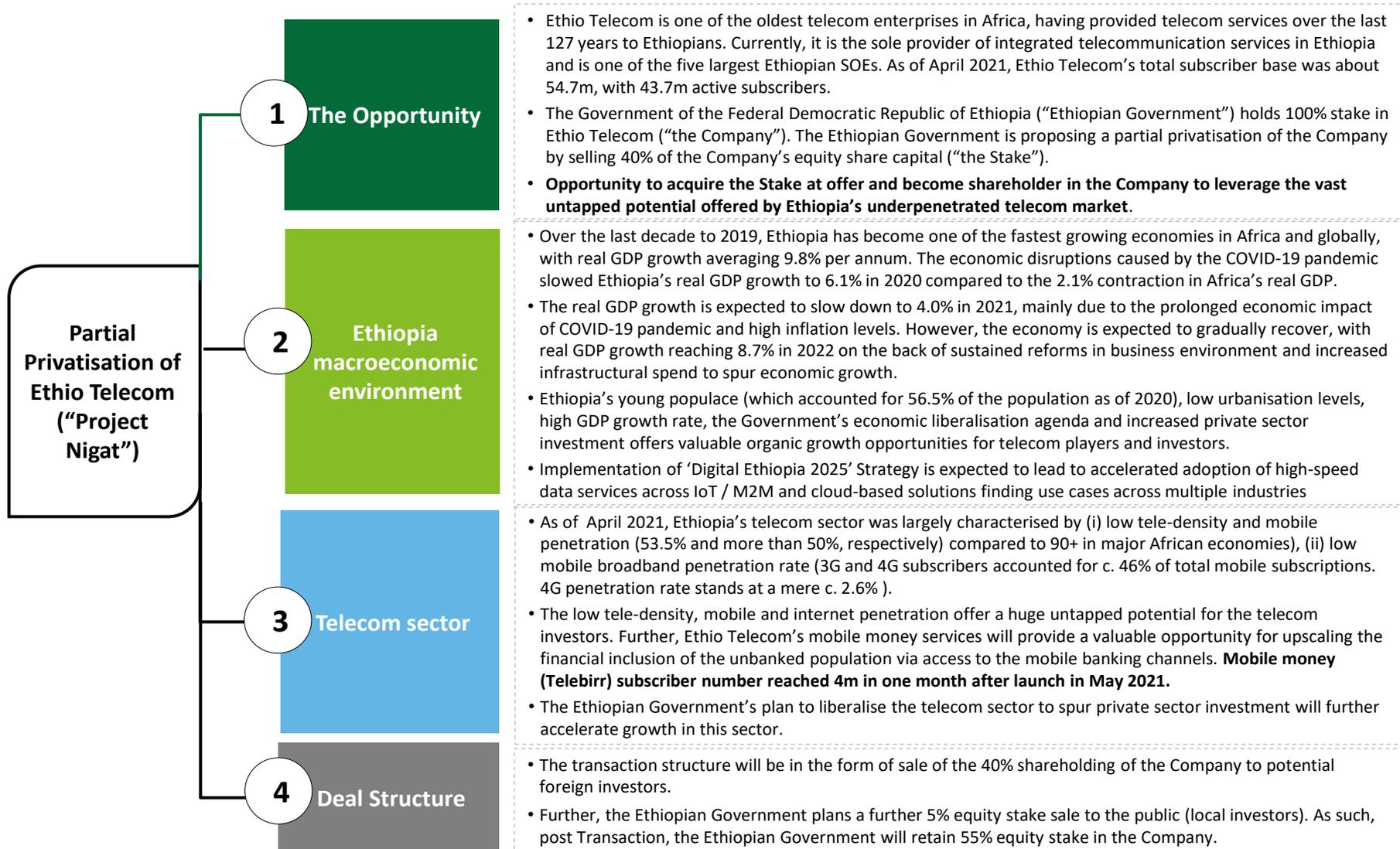
No party is entitled to rely on the teaser for any purpose whatsoever and we accept no responsibility or liability for its contents to any party.



Ethio Telecom | Glossary

ARPU	Average Revenue per User
ADSS	All-dielectric self-supporting
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
Deloitte	Deloitte Consulting Limited
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECA	Ethiopian Communications Authority
ETB	Ethiopian Birr
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GSM	Global System for Mobile Communication
ICT	Information and Communications Technology
IDI	ICT Development Index
IoT	Internet of Things
ISSPs	Impact Sourcing Service Providers
LTE	Long Term Evolution
MoU	Minutes of Usage
NBE	National Bank of Ethiopia
OPGW	Optical ground wire
Project Nigat	Proposed Partial Privatisation of Ethio Telecom
USD	United States Dollar
WCDMA	Wideband Code Division Multiplexing Access

Ethio Telecom | The Opportunity



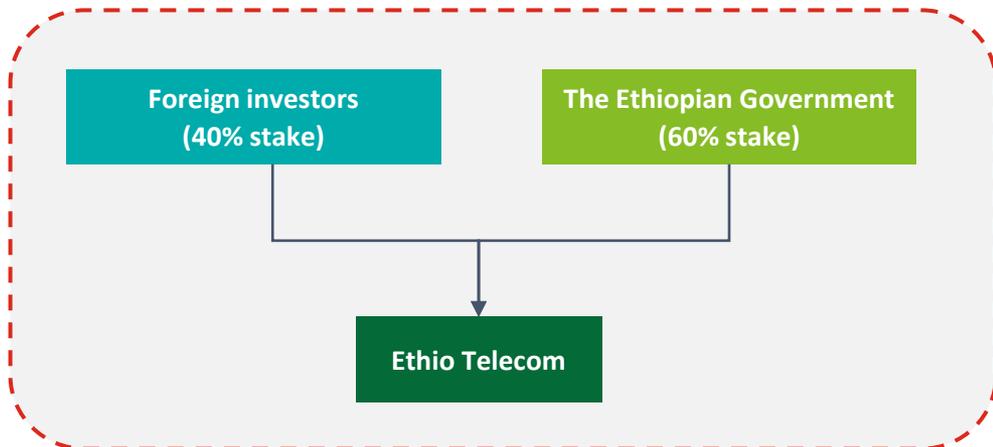
Source(s): World Bank; IFC, Fitch solutions and Management Information

Ethio Telecom | Transaction Structure

1 Pre transaction



2 Post transaction

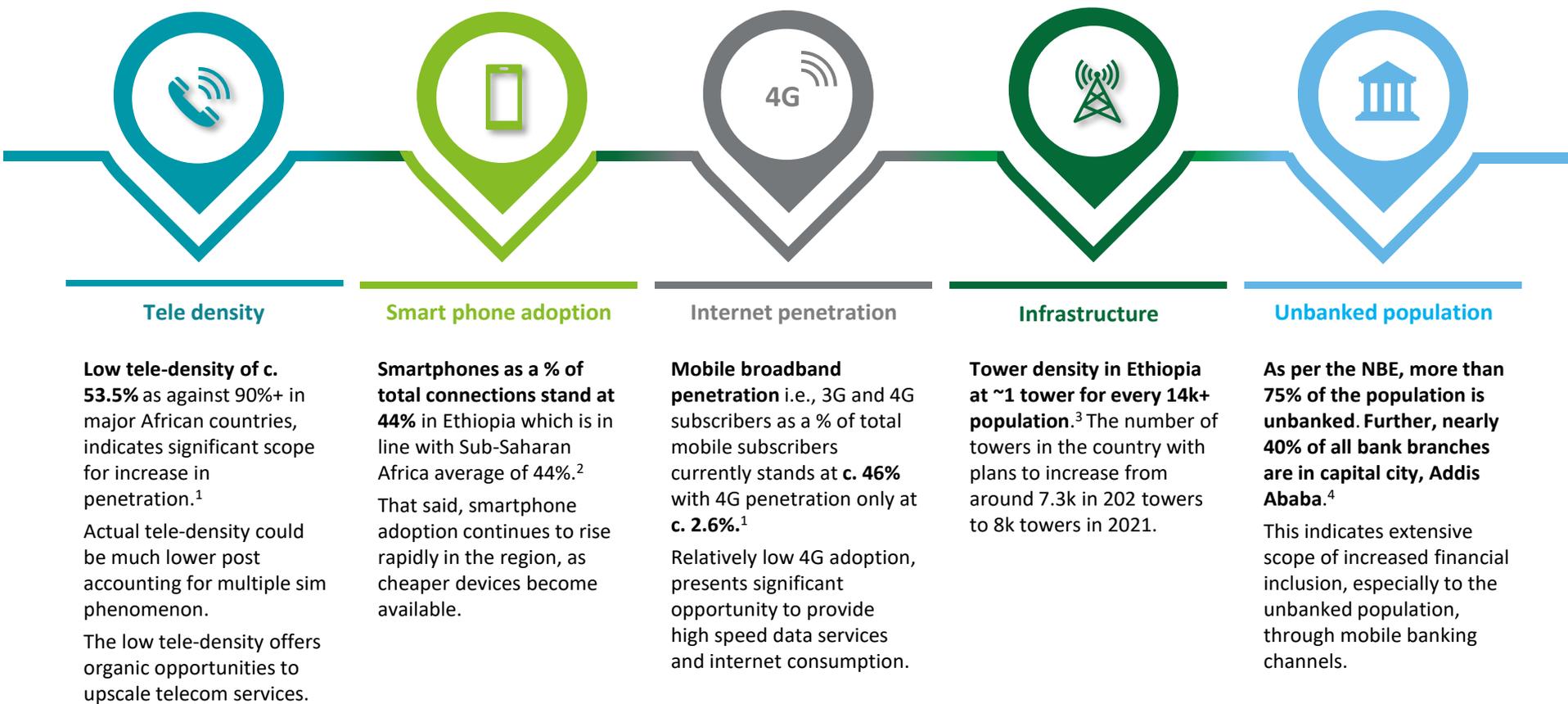


Transaction structure

- The partial privatisation of Ethio Telecom will involve the sale of 40% equity stake in the Company by the Ethiopian Government to foreign investors; and
- The Ethiopian Government will retain a controlling stake in the Company (60%) post partial privatisation.
- The sale of equity stake will not constitute an issuance of new shares but rather a partial sale of the existing shares of Ethio Telecom.

Ethio Telecom | Ethiopia Telecom Industry Overview

Ethio Telecom is currently the sole provider of all telecommunication services and infrastructure in Ethiopia. In May 2020, the Ministry of Finance and ECA had launched the process for issuance of two new telecom licenses in Ethiopia in addition to the partial privatisation of Ethio Telecom



¹ Source: Figures as at April 2021 as provided by Ethio Telecom management

² Source: The Mobile Economy, Sub-Saharan Africa 2020, GSM Association

³ Source: Towerxchange's Sub-Saharan African guide, Q1 2021 update and Planning and Development Commission FDRE

⁴ Source: National Bank of Ethiopia

Ethio Telecom | Ethiopia Macroeconomic Overview – At a glance

Ethiopia has historically ranked as one of Africa’s fastest growing economies, with growth averaging 9.0% between 2015 and 2019. A country with a young population, low urbanisation levels, high GDP growth rate and Government’s push to promote private sector investment, offers growth opportunity in ICT services

Political		
Parameter	Rank – Ethiopia	Rank–Avg. EAC ⁽¹⁾
Public perception of Economic Opportunity Foundations (Out of 38)	7	15 ⁽²⁾
Political Stability and Absence of Violence	11	22
Regulatory Quality Index	17	30

- The Government has taken steps to **improve infrastructure and attract foreign investment and private sector investment** in the economy
- Political instability due to conflict in the Tigray region and postponement of the 2020 elections, expected to subside post the elections in June 2021

Economic		
Parameter	Ethiopia	Avg. EAC
GDP ⁽³⁾ Growth – 2015 to 2019 (%)	9%	8%
FDI – 2015 to 2019 (USD bn)	17	3.4 ⁽⁶⁾

- Ethiopia has shown real **GDP growth of 9% from 2015 to 2019**, which is higher than the average of EAC countries
- Ethiopia has witnessed significant FDI inflow over 2015 – 2019 as compared to average EAC countries

Social		
Parameter	Ethiopia	Avg. EAC
Median Age, Human Development Index ⁽⁴⁾	19.8, 0.5	18.3, 0.5
GINI index ⁽⁵⁾	35	42 ⁽⁶⁾
Level of Urbanisation	22%	23%

- Young demographics, improving and lower income inequality** in Ethiopia as compared to average EAC countries as indicated by Gini Index
- Largely youthful working age population, which accounted for 56.5% of the population as of 2020.** This is expected to have a positive impact on the mobile subscriber base, uptake of smartphones and internet consumption

Technological		
Parameter	Ethiopia	Avg. EAC
Overall ICT development Index Rank (Out of 192)	170	156 ⁽⁶⁾

- Government has initiated “Digital Ethiopia 2025” digital transformation initiative with the key objectives of **job creation, increased forex and inclusive prosperity**. The national strategy is set to **transform the country’s digital space and increase leverage on technology**.
- IDI rank continues to be low, which also indicates significant opportunity for **Ethiopia to expand ICT infrastructure and access**

Note(s): (1) EAC – East African Community is an inter governmental organisation of 6 members (Burundi, Kenya, Rwanda, South Sudan, Tanzania, Uganda); (2) Does not include data for South Sudan and Rwanda; (3) GDP Constant LCU; (4) Human Development Index ranges from 0-1: 0 represents “natural zero”, 1 represents “aspirational target”; (5) Gini index of 0 represents perfect income equality, 100 implies perfect inequality; (6) Does not include data for South Sudan; Source(s): World Bank; ITU; African Business; Mo Ibrahim Foundation; United Nations

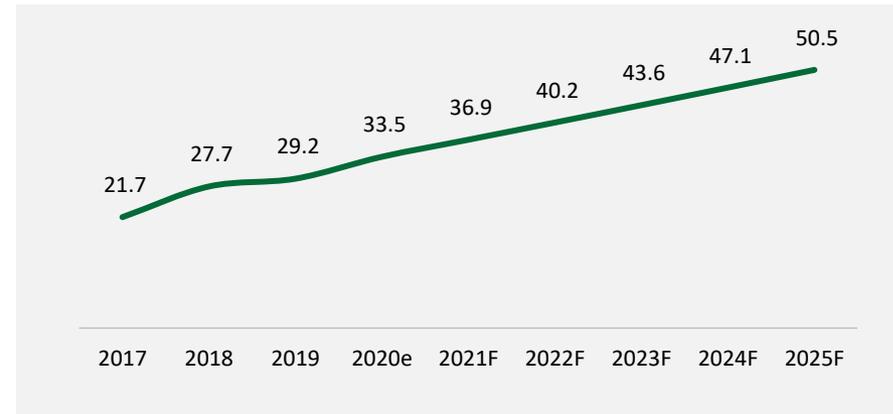
Ethio Telecom | Ethiopia Macroeconomic Overview – Economic Outlook

Real GDP growth is expected to slow down to 4.0% in 2021, mainly due to the prolonged COVID-19 effects on the economy and subdued private consumption. However, sustained reforms in the business environment and infrastructural spend is expected to drive economic growth in the medium term

Ethiopia Real GDP Growth Rate and CPI



ETB/USD Exchange rate



- Ethiopia’s recovery in 2021 will remain below pre-historic levels mainly due to constrained private consumption, high inflation levels and subdued economic activity as a result of the prolonged impact of COVID-19 impact.
- The IMF projects the economy’s growth to average 8.2% between 2022 and 2025, building on an already strong infrastructure project pipeline (particularly in hydropower, road and rail) and reforms in the business environment to drive growth.
- The rebound in the economic growth in the medium term will lead to increased private consumption levels and thus increased uptake of consumer and enterprise telecom products and services.

- The ETB/USD FX rate averaged ETB/USD 28 between 2017 and 2020. Fitch solutions projects the exchange rate to weaken to an average of ETB/USD 43.7 between 2021 and 2025.
- The NBE is expected to continue managing the ETB in the medium term, only allowing gradual depreciation to prevent inflation from soaring out of control.
- Sustained current-account deficits coupled with a low level of foreign reserves will maintain pressure on the ETB between 2021 and 2025. A depreciating currency will lead to increased costs for telecommunication infrastructure and may delay Ethiopia’s adoption of the Digital Ethiopia 2025.

Ethio Telecom | Ethiopia Macroeconomic Overview – Social Outlook

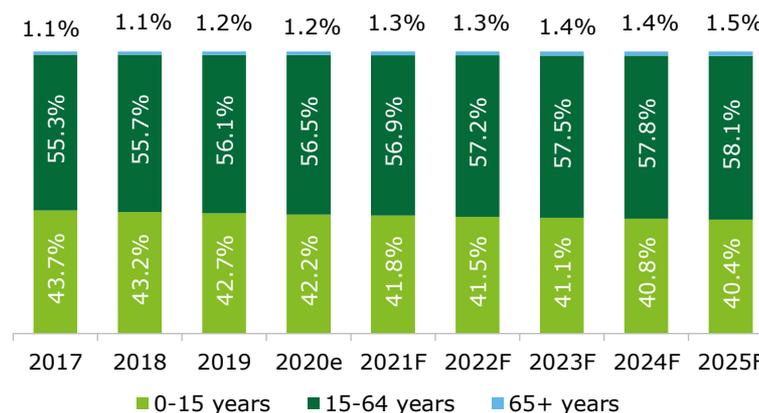
As of 2020, Ethiopia’s population was largely youthful with 56.5% of the population aged 15-64 years as of 2020. This is a favourable demographic for the telecom sector since a youthful population is expected to drive growth in the mobile subscriber base and consumption of telecom products and services such as internet, smartphone purchases

Ethiopia population growth

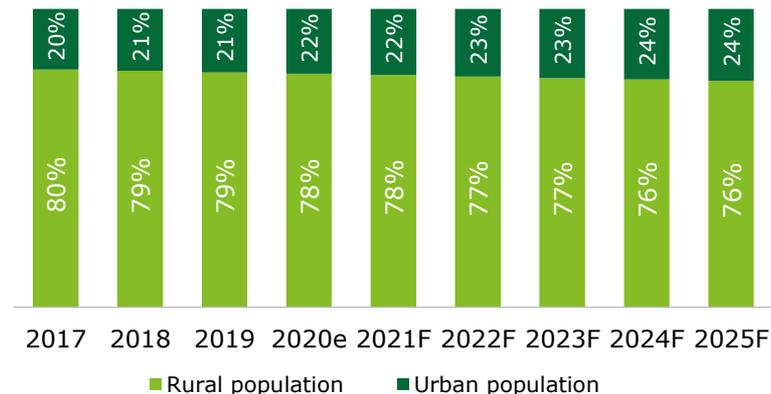


- Ethiopia’s population was estimated at 114.9m as of 2020 and is expected to grow at an average rate of 2.5% between 2021 and 2025, to reach 129.7m in 2025.
- The population is largely youthful with 56.5% of the population aged 15-64 years, 42.2% aged between 0-15 years and 1.2% aged 65+ years.
- The digital age population is largely youthful thus providing favourable demographics for Ethio Telecom’s medium-term strategy of growing data subscription and internet consumption. However, with most of the population residing in rural areas (c. 78% as of 2020), Ethio Telecom will have to invest on necessary infrastructure to drive subscriber growth in rural areas.

Ethiopia Population by age group (as a % of total population)



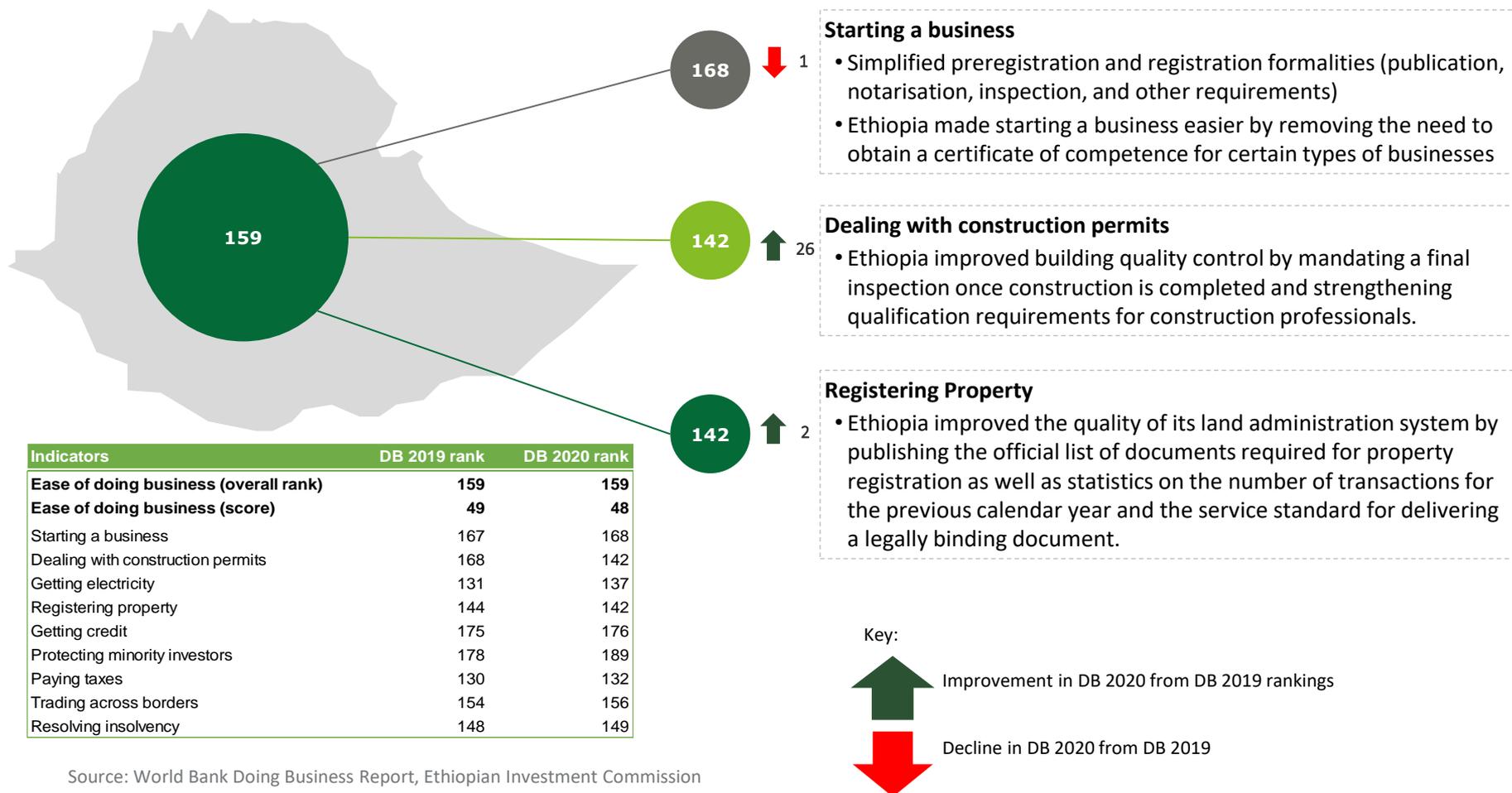
Ethiopia urban vs rural Population (as a % of total population)



Ethio Telecom | Ethiopia Macroeconomic Overview – Operating Environment

According to World Bank Ease of Doing Business Report 2020, Ethiopia was ranked 159 out of 190 countries globally, a similar position to the 2019 rankings.

In 2020, the Ethiopian Investment Commission as a part of economic reforms and to improve the ease of doing business ranking, revised the investment proclamation (including new areas for FDI) to allow more FDI participation in the country.



Source: World Bank Doing Business Report, Ethiopian Investment Commission

Ethio Telecom | Ethiopia Macroeconomic Overview – “Digital Ethiopia 2025”

Implementation of ‘Digital Ethiopia 2025’ Strategy would lead to accelerated adoption of high-speed data services across IoT / M2M and cloud-based solutions finding use cases across multiple industries



The Government of Ethiopia has approved the country’s National Digital Transformation Strategy – Digital Ethiopia 2025 in 2020, set to transform the country’s national economy through four major pathways

01

Pathway 1: Unleashing value from Agriculture

- Agriculture accounts for 32.8% of the GDP, 85% of the country’s workforce and 90% of export revenue.
- The key agriculture technologies to be explored are around IoT and Blockchain. The adoption of these technologies creates a substantial market for Ethio Telecom’s enterprise revenue services and will increase financial inclusion.



02

Pathway 2: The Next Version of Global Value Chains in Manufacturing

- Two specific opportunities identified for Ethiopia to succeed on this pathway are; enabling the adoption and creation of new communication technologies in industrial parks to expand access to global markets and enhancing digitally enabled logistics management approaches to boost export.
- The adoption of these opportunities creates a market opportunity for Ethio Telecom’s telecommunication infrastructure and cloud services.



03

Pathway 3: Building the IT enabled services

- Two specific opportunities identified for Ethiopia to succeed on this pathway are; providing infrastructure to high potential talent centers and reframing and operationalising the IT Park to attract leading BPO, specifically ISSPs.
- This pathway paves way for the growth of Ethio Telecom’s telecommunication infrastructure, traditional connectivity, cloud services, and fintech services.



03

Pathway 4: Digital as the driver of tourism competitiveness

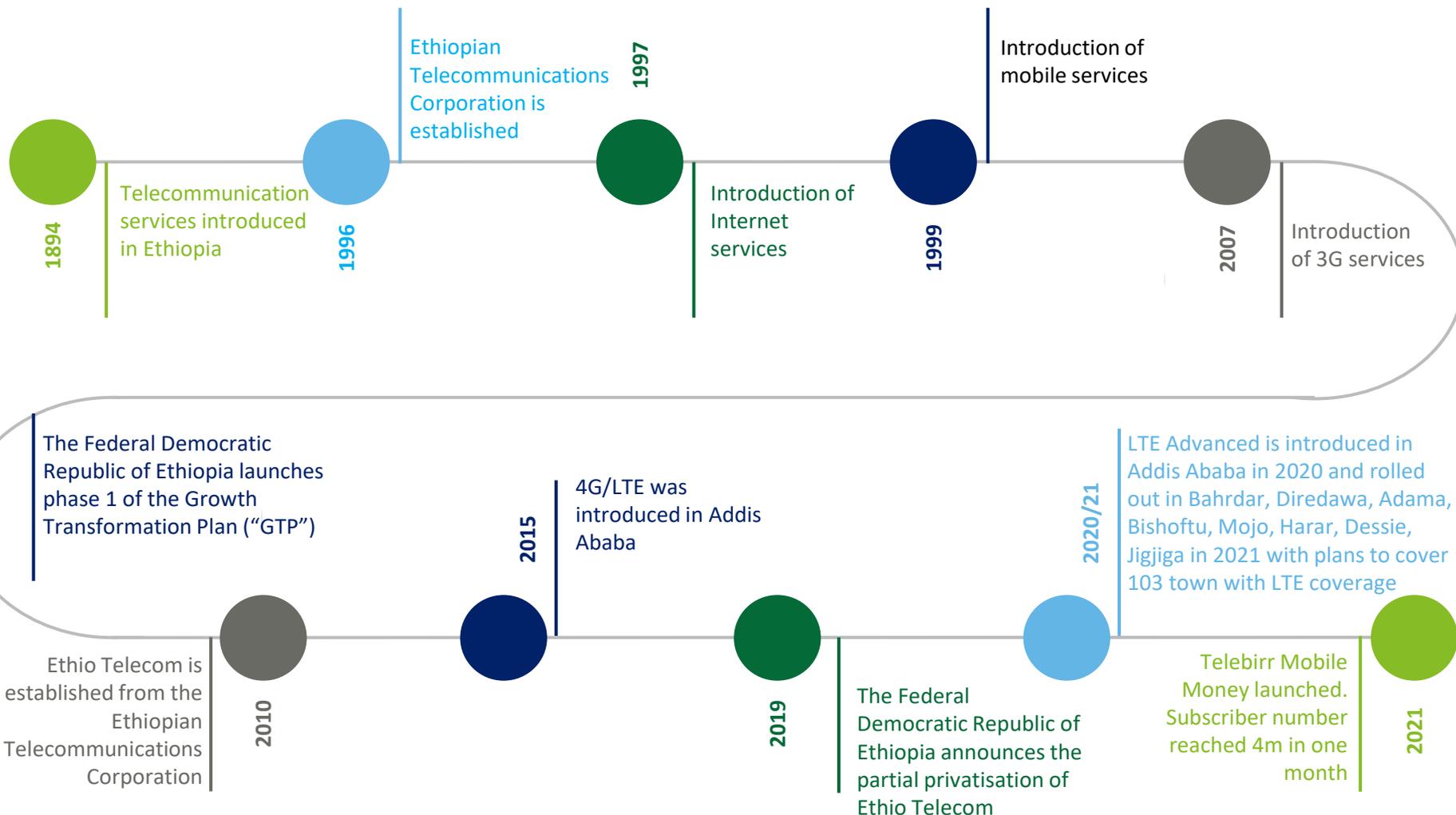
- Three specific opportunities identified for Ethiopia to succeed on this pathway are; driving digitalisation across the tourism industry by setting up a tourism digitalisation task force, improving tourist inflow and increasing tourist activity through targeted digital marketing strategies, and building capacity of tourism SMEs to adopt digital technologies (including improving online presence and accepting digital payments). This pathway create an opportunity for the expansion of Ethio Telecom’s mobile money and fintech, and enterprise services.



Ethio Telecom | Company Overview – Key Milestones

The timeline below presents major milestones in the Ethiopian telecommunications sector

Timeline



Source: Ethio Telecom's Management information

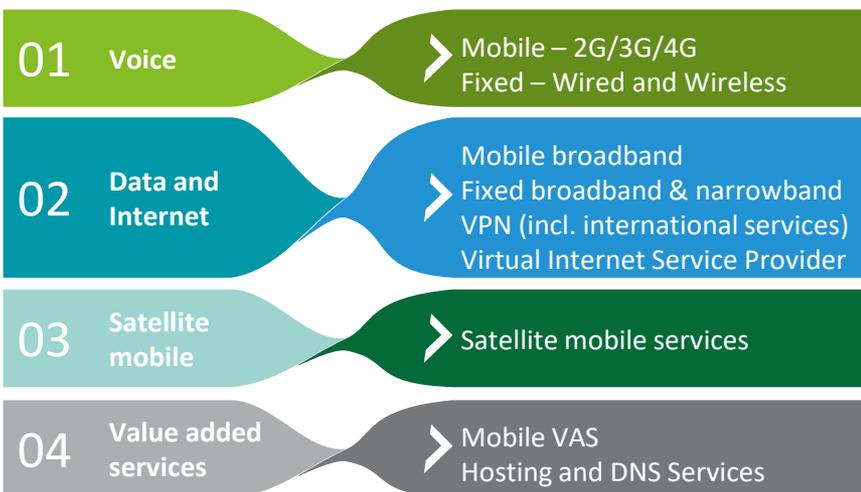
Ethio Telecom | Company Overview – Profile

Ethio Telecom, Ethiopia’s sole integrated telecom service provider, generated ETB 46.2bn revenue in FY2019-20, which represented ETB 11.9bn (16.0% CAGR) increase from FY2017-18, in line with the growth in active subscribers

Overview

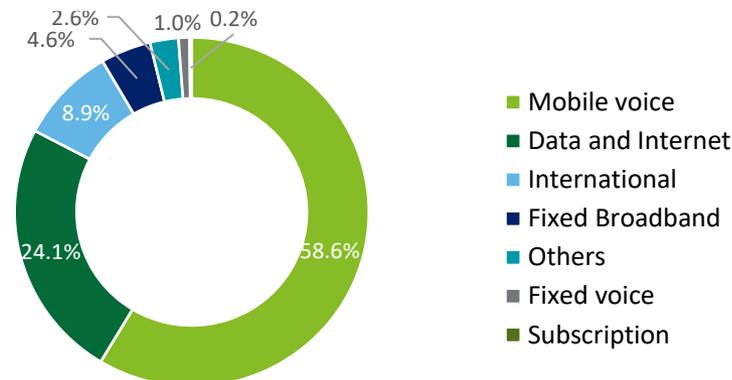
- Ethio Telecom, headquartered in Addis Ababa, Ethiopia is 100% owned by the Ethiopian Government and is currently the sole provider of telephone and internet service in the country.
- Ethio Telecom’s telecommunication network and infrastructure is spread across 11 administrative regions covering c. **85%** of the country by geography and c. **95%** by country’s population.

Key service offerings



Ethio Telecom also has a license to provide Mobile Money services such as domestic P2P transfers, cash outs, payments for goods and services in Ethiopia.

Revenue from telecom services – quick snapshot

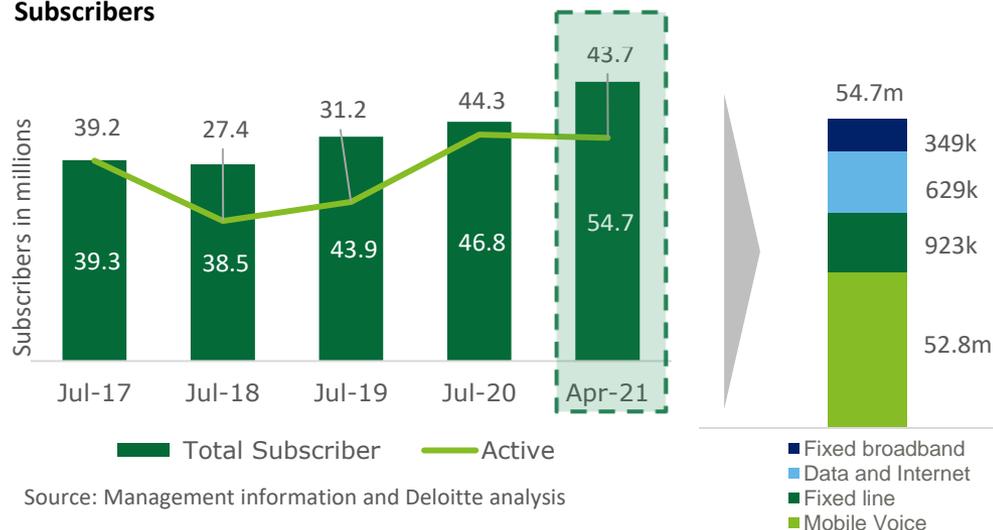


- During FY 2019-20, Ethio Telecom generated telecom revenue of c. **ETB 47.7bn**, comprising of:
 - Voice includes mobile voice revenue of c. **ETB 28.0bn** and ; revenue contribution from prepaid and postpaid stood at c. 97.2% and c. 2.8% respectively.
 - Data and Internet revenue of c. **ETB 11.5bn**, which comprises revenue from data services (broadband and narrowband) availed on all type of devices including mobile handset.
 - Fixed broadband revenue of c. **ETB 2.2bn**.
 - Fixed voice revenue of c. **ETB 47.8mn**.
 - International revenue of c. **ETB 4.3bn**.
 - Subscription revenue of c. **ETB 86.4mn** which is the fee paid by subscribers for new connection or migration from prepaid to postpaid or vice versa and sale of mobile handsets etc.
 - Others (including revenue from sell of device) of c. **1.25 bn**.

Ethio Telecom | Company Overview – Key Operating Metrics

As of April 2021, Ethio Telecom’s total subscriber base was about 54.7m, with 43.7m active subscribers.

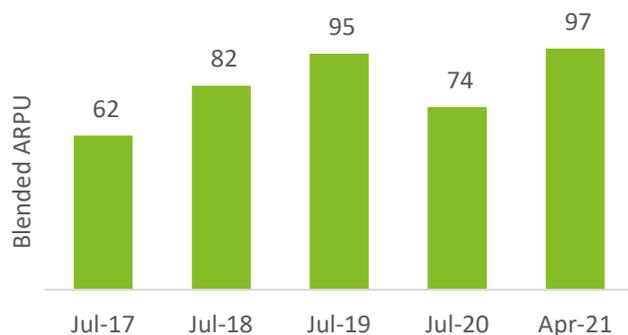
Subscribers



- Of the total mobile subscriber base: c. 99% avail prepaid services
 - Of the total subscriber base: c. 97% Residential and Enterprise c. 3%
- Data subscribers by technology:**
- Mobile voice: 3G c. 43%, 4G c. 3% and 2G c. 1%
 - Data and Internet: 3G c. 25%, 4G c. 17% and 2G c. 58%

1. Mobile Voice subscribers include subscribers availing data services on mobile handset.
2. Data and Internet includes subscribers availing data services (broadband and narrowband) on devices other than mobile handset.

Average Revenue Per User (ARPU)



Source: Management information and Deloitte analysis

ARPU¹ by offering as at April 2021

Mobile voice	c. ETB 66
Fixed Voice	c. ETB 73
Data and internet ²	c. ETB 45
Fixed broadband	c. ETB 896

Source: Management information

Other KPIs as at April 2021

Avg. revenue/ min (Voice)	c. ETB 0.39
Avg. revenue/MB (data)	c. ETB 0.08
MoUs per user	c. 147mins
Data usage per user	c. 0.55 GB

Source: Management information

1. ARPU has been derived from the active subscriber base.
2. Data and internet includes all subscribers availing data services (broadband and narrowband) on all type of devices including mobile handset.

Ethio Telecom | Company Overview – Key Financial Information

Income Statement

ETB m	FY18	FY19	FY20	YTD21
Revenue	34,376	36,036	46,244	28,446
Direct costs	(3,031)	(3,419)	(4,844)	(3,554)
Gross profit	31,345	32,617	41,400	24,891
EBITDA	26,401	23,592	26,030	14,795
GP margin	91.2%	90.5%	89.5%	87.5%
EBITDA margin	76.8%	65.5%	56.3%	52.0%

Source: FY19, FY20 and YTD21 Management Accounts, Deloitte Analysis
YTD covers: 01 July 2020 to 31 December 2020

Balance Sheet

ETB m	30-Jun-18	30-Jun-19	30-Jun-20	31-Dec-20
Non-current assets	39,494	38,986	40,949	40,933
Current assets	45,722	38,804	37,995	38,889
Total assets	85,216	77,790	78,944	79,822
Equity	18,279	16,606	13,452	25,291
Non-current liabilities	36,954	32,574	32,398	27,232
Current liabilities	29,983	28,610	33,094	27,299
Total equity and liabilities	85,216	77,790	78,944	79,822

Source: FY19, FY20 and YTD21 Management Accounts, Deloitte Analysis
YTD covers: 01 July 2020 to 31 December 2020

Income statement overview

- Revenue, which primarily comprised mobile voice and mobile data revenue, increased by ETB 11.9bn (16.0% CAGR) between FY18 and FY20 due to the 4.5m net increase in active subscriber numbers and the increase in ARPU from ETB 841 to ETB 1,017 over the same period.
- The increase in direct costs was driven by Phase 2 of the Telecom Expansion Project (“TEP”), which commenced in FY18. TEP involved improving network service quality, increasing coverage and capacity on mobile service through purchase of high-speed fibre optic capacity and increased networks maintenance.
- Gross profit, EBITDA and net profit margins averaged 90.4%, 66.2% and 17.1% respectively, between FY18 and FY20.

Balance sheet overview

- Mobile network equipment is the largest non-current asset class constituting 42% of PPE as at 31 December 2020.
- The bulk of the non-current liabilities related to promissory notes, which pertained to vendor financing agreements that Ethio Telecom has with its suppliers for the TEP and next generation projects.
- Ethio Telecom was in a positive net asset position throughout the analysis period. Ethio Telecom made dividend payouts of ETB 6b, ETB 4b and ETB 1b in FY19, FY20 and YTD21 respectively, which represented 82%, 108% and 8% of the profit after tax of those respective periods.

Ethio Telecom | Company Overview – Infrastructure Overview

Spectrum	<ul style="list-style-type: none"> ✓ Total spectrum bandwidth of 300+ MHz across 450, 800, 850, 900, 1800, 2100 and 2600 MHz. ✓ The Company also has 5G spectrum in 500MHz (n78 3.5GHZ) and 3300-3800 MHz.
Tower and other IP sites	<p>Tower sites</p> <ul style="list-style-type: none"> ✓ 7400+ tower sites (700+ sites in Addis Ababa); of which c. 96% are greenfield towers and remaining are rooftop towers ✓ Length: Ranges from 2 metres – 102 metres with an average height of 36 metres. ✓ Tower split by power source: Mains + DG: c. 45%, Mains only: c. 29%, Solar only: c. 21% and remaining are combination of mains, DG and solar. <p>Other infrastructure sites</p> <ul style="list-style-type: none"> ✓ 3400+ fixed sites, 1250+ IP sites, 1100+ backbone sites and 500+ other sites (PTP, IBS etc.)
Fibre network	<ul style="list-style-type: none"> ✓ c. 21,000+ km of fibre network spread across Ethiopia; of which Terrestrial c. 57%, OPGW c. 36%, Backhaul c. 5% and ADSS c. 2% ✓ Laying type: Buried c. 85% and Aerial c. 15%
Data centre	<ul style="list-style-type: none"> ✓ 1.28MW data center with c. 99.982 % uptime, <1.6 hours of down time per year, >72-hour power outage protection and N+1 fault tolerant providing ✓ Data center has a total capacity of 160 racks with two backup generators
Satellite and VSAT	<ul style="list-style-type: none"> ✓ 3 satellite hubs in an area with no terrestrial link access and also for customers in need for back up services such as banks, military facility, government offices etc.
Mobile Money License	<ul style="list-style-type: none"> ✓ License to provide Mobile Money services which inter-alia includes domestic P2P transfers, cash outs, payments for goods and services, etc. The Company has launched the Telebirr Mobile Money services in May 2021 and subscriber numbers reached 3.5m in one month to June 2021.
Real-estate	<ul style="list-style-type: none"> ✓ 7,777 real estate properties (including BTS and non BTS sites)

Ethio Telecom | Future Growth Avenues for Ethio Telecom



Low tele-density of c. 53.5%¹ as against 90%+ in major African countries offers **huge potential for growth on account of customer addition**.

Actual tele-density could be much lower post accounting for multiple sim phenomenon.



Mobile broadband penetration i.e., 3G and 4G subscribers as a % of total mobile subscribers currently stands at c. 46%¹ with 4G penetration only at c. 2.6%¹

Relatively low 4G adoption, presents **significant opportunity to provide high speed data services**.



Enterprises form a very small portion of Ethio Telecom's customer base. Enterprise subscriber base of c. 1.6m¹.

In terms of offerings, Ethio Telecom provides traditional services such as fixed voice, broadband, MPLS-VPN etc.; Going forward, Ethio Telecom can **expand its services to include IoT/M2M and cloud-based offerings**



Significant value unlocking potential through sharing of unutilised tower tenancies and fiber capacity with other telecom players.

With the introduction of new players post completion of liberalisation process, license awardees would depend on sharing Ethio Telecom's infrastructure given existing restrictions on independent tower companies to set up presence in Ethiopia.



Ethio Telecom possesses mobile money license and can provide digital financial services such as domestic P2P services, cash outs, payments for goods and services.

Given vast unbanked population, mobile money can become a **key enabler to enhance financial inclusion** and create significant opportunity for Ethio Telecom by creating an additional revenue stream.



Home broadband penetration in Ethiopia is extremely low. Management discounted prices by up to 79% in 2020, which increased the number of users from 137k in March 2020 to 349k in April 2020.

Currently, out of total population of c. 103m, home broadband subscribers stand at c. **349k**¹. With rise in data consumption taking place indoors, **home broadband segment presents as one of key growth areas** for Ethio Telecom.

¹Figures as at April 2021; Source: Management information



Ethio Telecom | Deloitte Disclaimer

Important Notice

- This document has been prepared by Deloitte Consulting Limited (“Deloitte”) solely for informational purposes and for the exclusive use of the party to whom Deloitte delivers this document (together with its subsidiaries and affiliates, the “Potential Buyer”). This document contains selected information regarding a potential investment opportunity (the “Transaction”) in respect of the proposed sale of an equity stake in Ethio Telecom (“the Opportunity”).
- The sole purpose of this document is to assist recipients in deciding whether they wish to proceed with an investigation of a possible Transaction. This document is not intended to form the basis of any investment decision or any decision to purchase any equity interests (or other interests), directly or indirectly, in Ethio Telecom. This document, and the information contained herein, does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction. Project Valetudo, Deloitte and our Client (hereinafter referred to as “We” or “Us”), do not make any representation or warranty, either express or implied, as to the accuracy, completeness, reasonableness or reliability of the information contained in this document.
- We expressly disclaim any and all liability for any direct or consequential losses relating or resulting from the use of this document. No person has been authorised to give any information or to make any representation concerning Ethio Telecom and its interests described herein other than the information contained in this document, and if made or given, such information or representation must not be relied upon as having been authorised by Us. Under no circumstances is this document to be construed as a prospectus, offering memorandum or advertisement.
- No representation is made regarding the legality of a participation by a Potential Buyer in a potential Transaction under applicable securities laws or other laws. The Potential Buyer should not construe the contents of this document as a legal, tax, accounting or investment advice or a recommendation of any kind. The Potential Investor should consult its own counsel, tax and financial advisers as to legal and related matters concerning any transaction described herein. This document does not purport to be all-inclusive or to contain all of the information that the Potential Buyer may require. No investment, divestment or other financial decisions or actions should be based on the information in this document.
- This document and the information contained herein is highly confidential and has been prepared solely for the informational use of the Potential Buyer. Distribution of this document to any person other than the Potential Buyer and those persons retained to advise the Potential Buyer, who agree to maintain the confidentiality of this material and be bound by the limitations outlined herein, is unauthorised. This material must not be copied, reproduced, distributed or passed to others at any time without Our prior written consent. By accepting the delivery of this document, you agree to the foregoing.
- This document includes certain observations, assumptions, statements, estimates and projections as to future events and thus involves significant elements of subjective judgment and analysis. Such statements, estimates and projections reflect certain assumptions and anticipated results; such assumptions and results may or may not prove to be correct. Actual results may differ from such statements, estimates and projections and such differences may be material. Such estimates and projections are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include general economic and business conditions, competition, changes in political, social and economic conditions, and possible changes in the regulatory structure, customer preferences and various other matters, many of which are beyond the control of Ethio Telecom and Deloitte, as applicable. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised.
- There can be no assurances that actual events will not differ materially from those assumed or projected. In the event any of the assumptions used in this document do not prove to be true, results are likely to vary substantially from those discussed herein and such variations may be material. We does not undertake to update or revise any of the observations, assumptions, projections or forward-looking statements contained herein or any other information contained herein, even if it becomes clear that they will not be realised or are otherwise inaccurate. The delivery of this document shall not under any circumstances imply that there has been no change in the affairs of Ethio Telecom or that the information set forth herein is correct at any date subsequent to the date of this document or the date at which the information was provided. The information contained in this document is in summary form and thus does not contain all relevant and material information relating to the matters discussed herein.
- This document considers, where possible, the potential impact of Coronavirus (COVID-19) on the the Company. However, at the time of the teaser preparation, the situation is continuing to evolve, and many uncertainties remain as to the effect the COVID-19 crisis will have on the Company and the broader domestic and global economies. Accordingly, this document does not fully identify and quantify the impact of all COVID-19 related uncertainties and implications. Changes to market conditions could substantively affect the Company and this document.

INDEPENDENT FINANCIAL ADVISER

Deloitte Consulting Limited
Deloitte Place, Waiyaki Way Muthangari
P.O. Box 40092 – GPO 00100
Nairobi, Kenya

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private Company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. Deloitte's approximately 334,800 professionals are committed to becoming the standard of excellence.