

time™

# EXTRAORDINARY GENERAL MEETING

15 FEBRUARY 2023



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# **SUPERCHARGING AIMS TO GROW ACROSS ASIA**

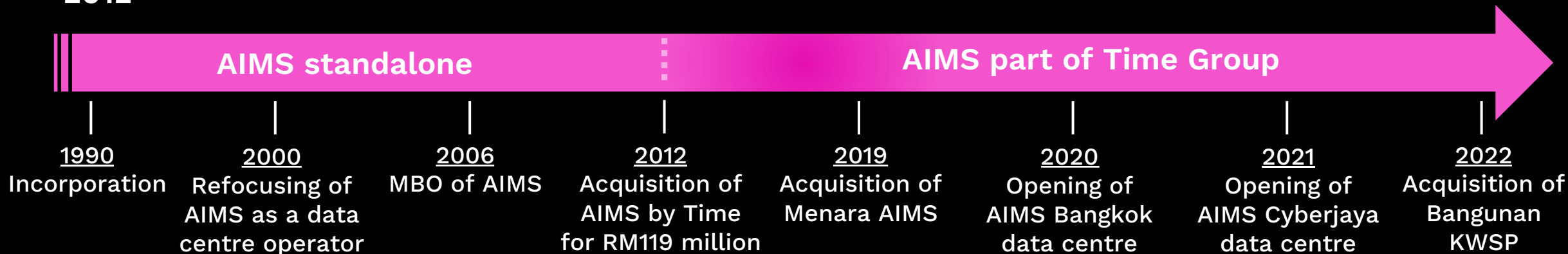
# INTRODUCTION

- In late 2021, Time carried out a strategic review of the data centre landscape, considering the increased attention the sector was receiving as well as the rapid expansion of data centre sites happening globally
- We decided to seek a strategic partner to catalyse and strengthen AIMS and position it for aggressive growth across Asia
- Subsequent to a multi-stage private bidding process, Time has decided to partner with DigitalBridge, one of the world's leading digital infrastructure firms, to use AIMS as its platform for expansion in the region via a continuation of the AIMS business model and strategy
- This strategic partnership is expected to accelerate the growth of AIMS into new markets and achieve greater scale in the highly connected, ecosystem-centric data centre business segment, in line with Time's positive outlook on the sector

Key terms	Summary
Transaction Structure	<p><b>DigitalBridge acquire stakes in:</b></p> <p><b>(i) AIMS HoldCo (Malaysia and Singapore businesses) (“Proposed Transaction 1”); and</b></p> <p><b>(ii) AIMS Thailand (Thailand business) (“Proposed Transaction 2”)</b></p>
Valuation	<p><b>RM3.2 billion (100% enterprise value)</b></p>
Proceeds to Time	<p><b>Approx. RM2.0 billion<sup>(1)</sup></b></p>
Utilisation of Proceeds	<p><b>(1) Special dividend of approximately RM1.0 billion; and</b></p> <p><b>(2) Remainder to be re-invested into Time group for further shareholder value creation</b></p>

# THE STRATEGIC RATIONALE

- AIMS has grown significantly since its inception, in particular since its acquisition by Time in 2012



AIMS Group <sup>1</sup>	FY2020 (RM'million)	FY2021 (RM'million)	Growth rate
Revenue	154	182	+18%
EBITDA	75	86	+14%
PAT <sup>2</sup>	33	38	+15%

(1) AIMS Group figures shown are figures reported by the AIMS entities

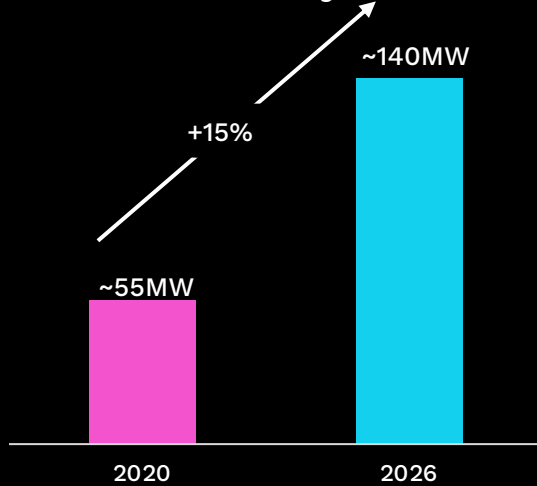
(2) PAT = Profit After Tax attributable to the owners of the company



- **Data centre demand across ASEAN is expected to remain strong with the following key drivers:**
  - Cloud adoption (public and private)
  - Edge nodes moving closer to the end-user
  - Continued growth in data exchange and consumption

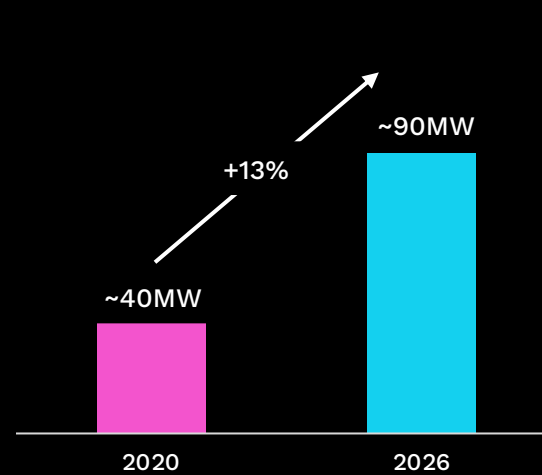
Co-location Demand Growth (MW)

- Malaysia

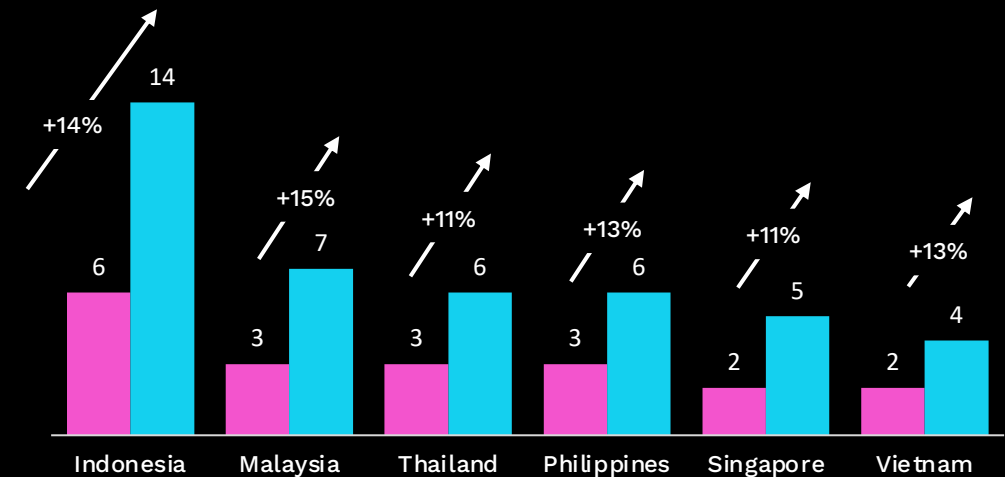


Co-location Demand Growth (MW)

- Thailand



Total Cloud Spend by Market (US\$ billion)



■ Total cloud spend (2020)  
■ Total cloud spend (2026)

- **Based on the strategic review carried out, Time believes there are significant opportunities in underserved markets across ASEAN and beyond, particularly in the highly connected, ecosystem-centric data centre segments that AIMS operates in**
- **Key success factors for regional expansion:**
  - Access to capital
  - International data centre experience
  - Expertise in building and scaling data centre businesses

**Conclusion:**

- Opportunity best captured together with a high-quality partner that has a global lens
- Allows us to accelerate AIMS' growth whilst reducing overall risk of execution



- **Who is DigitalBridge?**
  - One of the world's largest digital infrastructure firms. It has investments across five key digital infrastructure verticals: data centres, macro cell towers, fibre networks, small cells, and edge infrastructure
  - Shareholder in 9 data centre and edge companies, which collectively operate 200 data centre facilities, with over US\$1.0 billion combined revenue
  - US\$50 billion of assets under management and significant access to capital
  - Strong international experience and a proven track record of scaling data centre businesses and digital infrastructure platforms globally

- **What Time and DigitalBridge intend to do together**
  - Bring together a unique combination of two entities with distinctly different backgrounds – a focused telecoms and data centre operator with assets across ASEAN, and a digital infrastructure fund that has fuelled the growth of some of the most admired data centre and digital infrastructure companies in recent times
  - Expand and grow AIMS by replicating its business model across ASEAN and beyond, with focus on capital cities, secondary towns and highly connected areas
  - Capitalise on continued demand for highly connected, ecosystem-centric data centres
  - Leverage off DigitalBridge's capabilities whilst continuing to build on AIMS' strengths
  - Make Malaysia a core hub and gateway for greater connectivity in the region

- **Time continues to be committed to the data centre business**
  - Time will continue to have data centre products available for its customers, offered in a seamless and integrated manner
  - Time will retain significant economic exposure to the data centre space via its strategic stake in AIMS
- **AIMS will retain its DNA and leverage on its core strengths**
  - AIMS customers can expect continued high-quality service with commitment to carrier-neutrality and best-of-class service offerings
  - AIMS will retain its headquarters in Kuala Lumpur and will be operated by the current management team

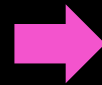
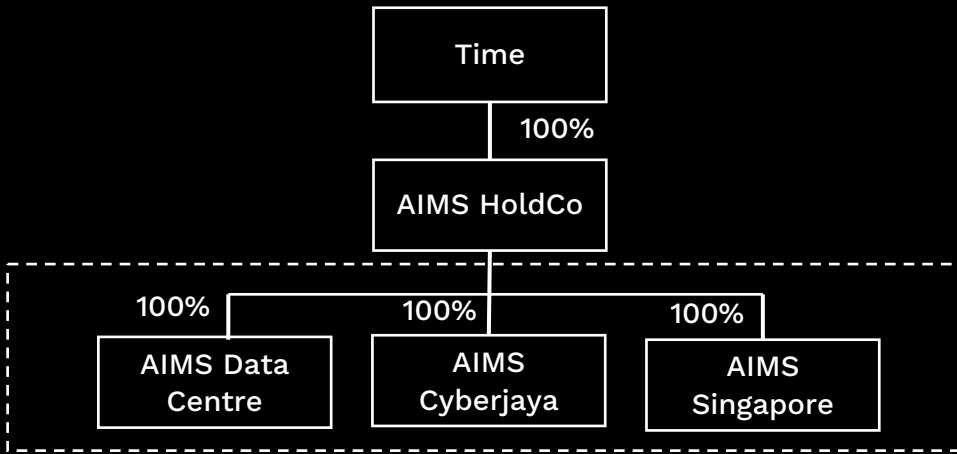
# TRANSACTION STRUCTURE AND UTILISATION OF PROCEEDS

**Transaction Structure Overview**

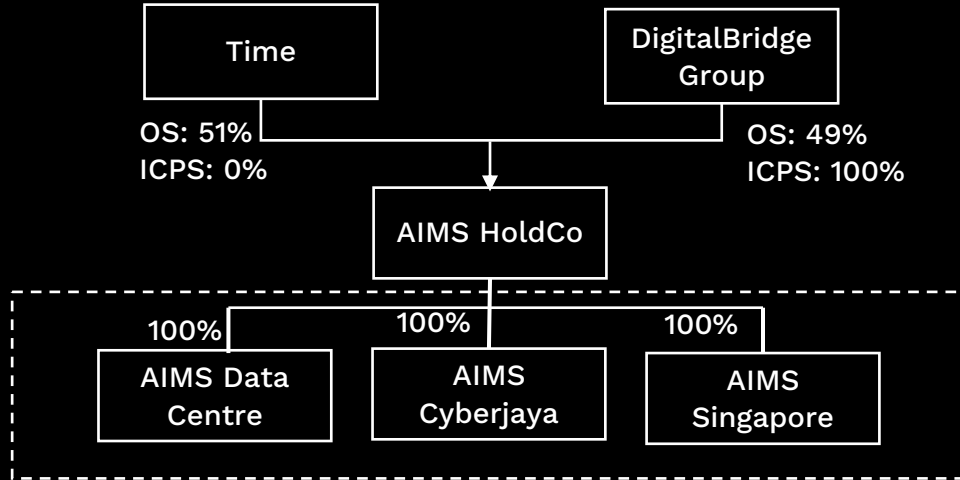
- **DigitalBridge will acquire shareholdings in AIMS HoldCo and AIMS Thailand based on a 100% enterprise valuation of RM3.2 billion**
  - Acquisition of 490,000 ordinary shares and 699,850 irredeemable convertible preference shares (ICPS) in AIMS HoldCo from Time
  - Acquisition of 210,000 ordinary shares in AIMS Thailand from Time and 490,000 ordinary shares in AIMS Thailand from Symphony Communications
  - Consideration is in cash
  - ICPS are convertible into ordinary shares of AIMS HoldCo within 2 years
  - DigitalBridge's commitment is secured by a US\$80 million deposit held in escrow

Shareholding Overview

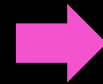
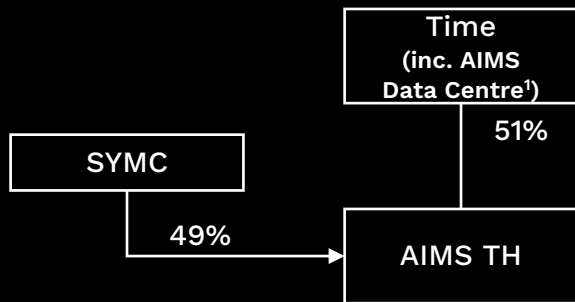
**Current Shareholding (AIMS HoldCo)**



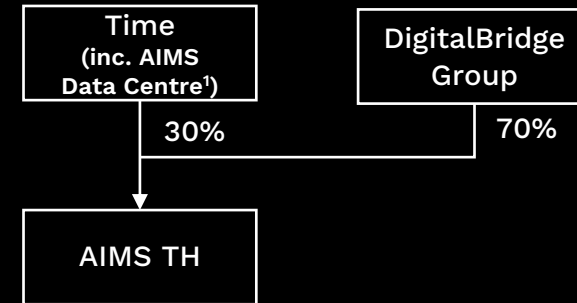
**Shareholding Post Transaction (AIMS HoldCo)**



**Current Shareholding (AIMS Thailand)**



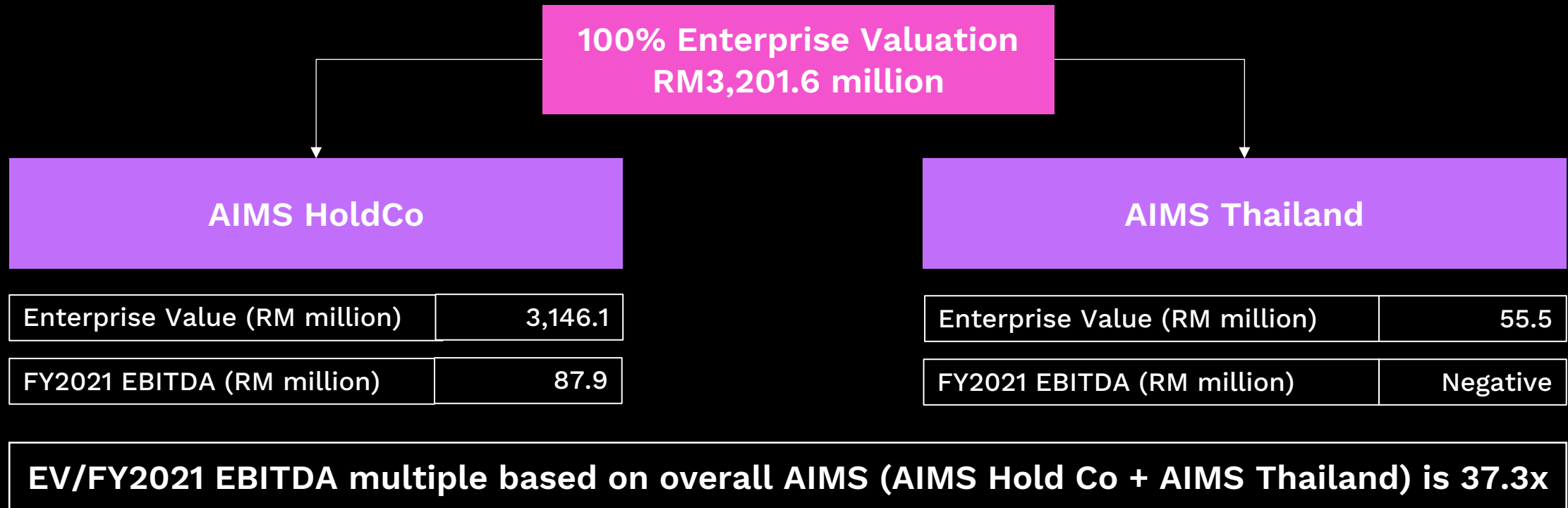
**Shareholding Post Transaction (AIMS Thailand)**





Attractive valuation secured for AIMS

- Valuation for AIMS business is attractive on an implied EV/EBITDA basis, and also compares favourably to the current book value of RM240 million and the original TIME acquisition cost of AIMS in 2012 of RM119 million



### Utilisation of Proceeds

- Time expects to receive approximately RM2.0 billion of proceeds from the transactions
- Time intends to use the proceeds as follows:

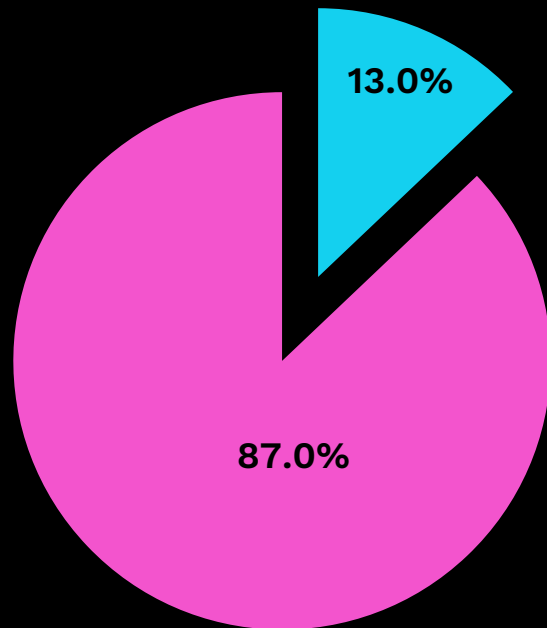
Purpose	Estimated amount (RM million)	% of total estimated proceeds
Proposed special dividend	1,000	49.8
Capital expenditure	500	24.9
General working capital	464	23.1
Estimated expenses	45	2.2
<b>Total</b>	<b>2,009</b>	<b>100.0</b>

Note: Actual proceeds to be received by Time at closing are subject to customary net debt, working capital and other adjustments

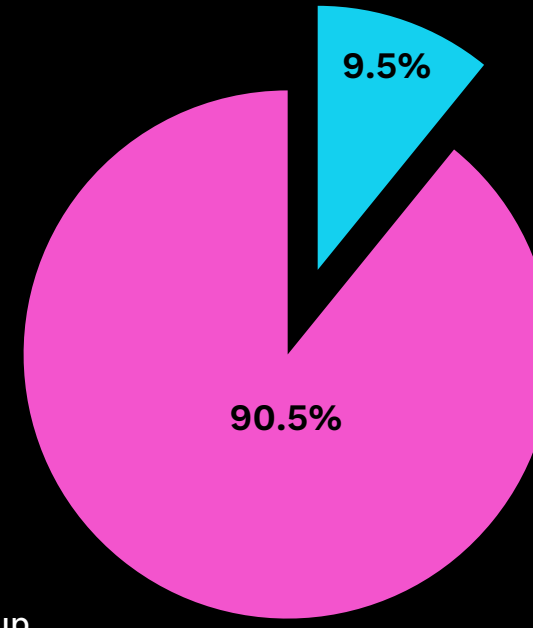
# POWERING TIME'S OTHER SEGMENTS

- AIMS is a strategically important part of Time, although its financial contribution to the Group is relatively modest at 13% of Time Group Revenue and 9.5% of Time Group PAT
- Time will benefit from meaningful shareholding in AIMS going forward, whose profitability is expected to accelerate under this strategic partnership

Time Group Revenue (FY2021)



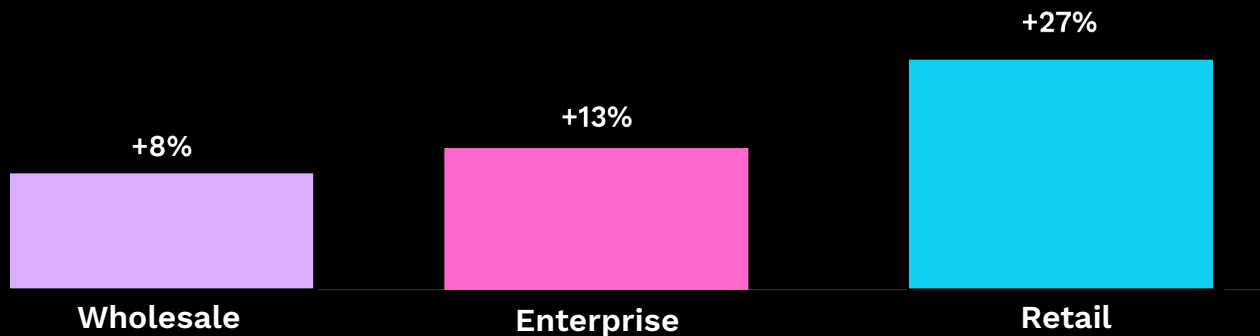
Time Group PAT (FY2021)



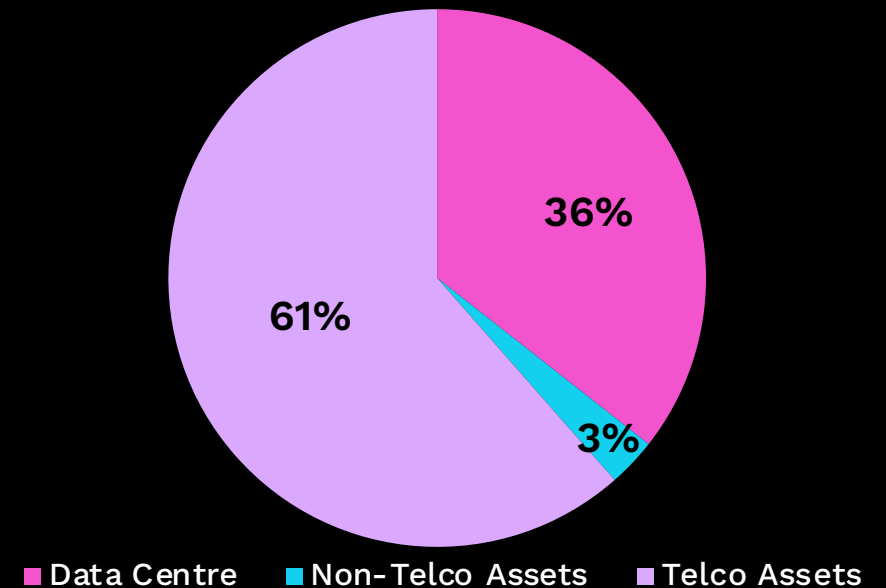
■ AIMS      ■ Rest of Time Group

- Time has recorded strong growth momentum in its 3 core market segments, even after stripping out AIMS
- Proceeds from the transaction will be utilised to continue investing in and supercharging these fast-growing segments
- Capital expenditure historically used for data centre can also now be reallocated

### Revenue CAGR (2018 – 2021) (excluding AIMS)

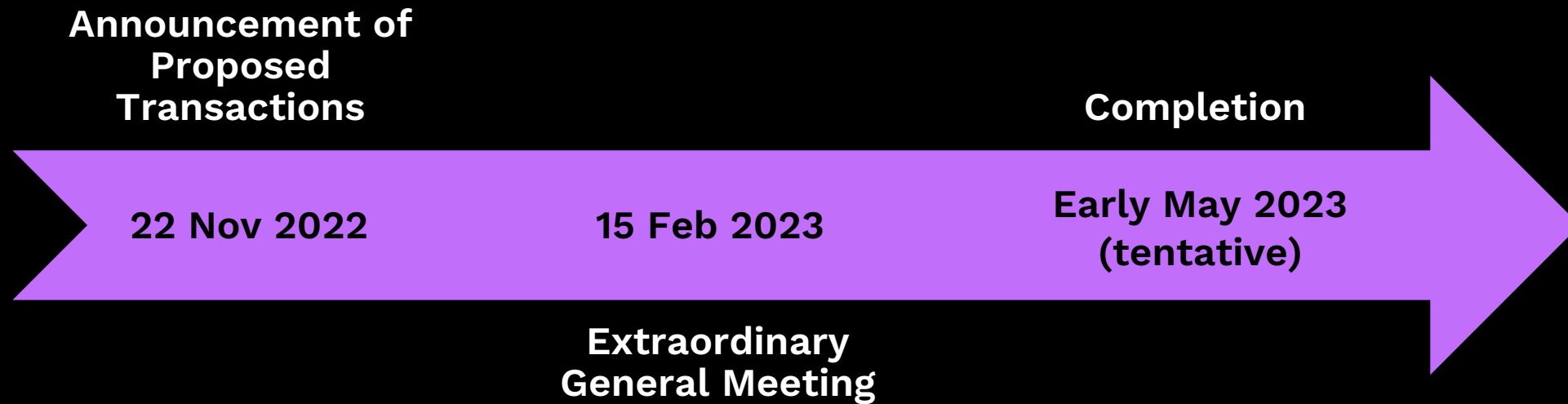


### Group Capex FY2021



# CONCLUSION

- The Proposed Transactions are expected to close by early May 2023 (tentative), upon certain conditions precedent (incl. shareholder approval at this EGM) being satisfied



## This Strategic Partnership is a strategically and financially solid move

- Enables Time to accelerate the growth of its data centre business and realise its **regional data centre ambitions**
- **Crystallises strong value** and accords Time with more flexibility to optimise its capital allocation
- Part of the proceeds will be paid out as a **special dividend** and the balance **reinvested into the Group's business**, aimed to increase shareholder value



# QUESTIONS FROM MSWG

**AIMS Data Centre Holdings Sdn Bhd (“AIMS”) will be the primary investment vehicle in relation to future investments and expansion of highly connected, ecosystem-centric data centre business in existing and new markets in the ASEAN region and beyond, with Malaysia as the core hub and gateway for the region.**

- A. Currently, which are the ASEAN countries that have a conducive environment and well-developed infrastructure for investments of data centre business?**
- B. What are the new target markets for AIMS in the foreseeable future if the proposed strategic partnership for the AIMS data centre business materialises?**

## Answer 1

- A. Generally, Thailand, Indonesia, Vietnam, Philippines and Malaysia are data centre growth markets in the ASEAN region. These countries have a conducive environment for investment in the data centre segment, attributed to various factors such as growing population, expanding GDP, increasing Internet, mobile and fixed line penetration as well as increasing digitalisation of businesses and the economy.**
- B. We are looking to expand our capacity in Thailand as well as exploring inorganic opportunities in the other parts of the region.**

**AIMS intends to aggressively expand data centre business in existing and new markets in ASEAN region and beyond. As at 31 December 2021, its core subsidiary, AIMS Data Centre Sdn Bhd's cash and cash equivalents was at RM15.062m and on the other side of the balance sheet, the total loans and borrowings stood at RM96.513m. How does AIMS intend to fund the aggressive business expansion?**

## Answer 2

**The aggressive business expansion will be primarily funded via debt facilities to be secured by AIMS. The debt facility is in the process of being arranged and is expected to be put in place at the completion of the Proposed Transactions.**

**Inorganic and expansion above the business plan may be funded by equity contributions from the AIMS shareholders.**

**THANK YOU**