

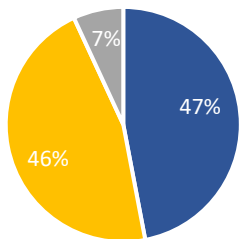
## A diverse and integrated portfolio of services

	Fixed ICT Operations	Mobile ICT Operations	Other Segment Operations
Services	<ul style="list-style-type: none"> <li>Voice</li> <li>Data</li> <li>Broadband</li> <li>IPTV</li> <li>Wholesale</li> <li>Global</li> <li>Data centre and cloud</li> <li>Digital products</li> <li>Value-added services</li> </ul>	<ul style="list-style-type: none"> <li>Mobile telecommunication</li> <li>High-speed broadband</li> <li>IDD services</li> <li>Enterprise solutions</li> <li>Mobile money</li> <li>Value-added services</li> </ul>	<ul style="list-style-type: none"> <li>Healthcare channelling</li> <li>Education services</li> <li>Skills and career development services</li> <li>Data Analytics and AI Solutions</li> <li>Software solutions</li> <li>Digital marketing solutions</li> <li>Digitalisation solutions</li> <li>Directory services</li> <li>Property development</li> <li>ICT infrastructure and system integrator solutions</li> <li>Submarine cable maintenance</li> </ul>
Technology	<ul style="list-style-type: none"> <li>Fibre To The Home (FTTH) Network</li> <li>Fixed 4G LTE</li> <li>Next Generation Network (NGN)</li> <li>National Backbone Network (NBN)</li> <li>Optical fibre</li> <li>ADSL2+</li> <li>Multiple international submarine cable networks</li> <li>Software-defined wide area network (SD-WAN) technology</li> </ul>	<ul style="list-style-type: none"> <li>Mobile ICT operations</li> <li>4G LTE/4.5G LTE Advanced/4.5G Pro LTE Advanced Pro</li> <li>VoLTE/VoWiFi</li> <li>5G-ready narrowband IoT (NBIoT)</li> <li>Mission critical solutions</li> <li>Enterprise Wireless solutions</li> <li>5G Trials</li> </ul>	
Results (FY22)	<p><b>LKR 67.6 Bn. (USD 189 M.)</b> Revenue</p> <p><b>LKR 186 Bn. (USD 521 M.)</b> Assets</p>	<p><b>LKR 45.2Bn. (USD 126 M.)</b> Revenue</p> <p><b>LKR 76 Bn. (USD 212 M.)</b> Assets</p>	<p><b>LKR 7.2 Bn. (USD 20 M.)</b> Revenue</p> <p><b>LKR 5.07 Bn. (USD 14 M.)</b> Assets</p>

Source : SLT Annual Report 2022 – www.slt.lk; Central Bank of Sri Lanka FX as of 31 Dec 2022: <https://www.cbsl.gov.lk/>

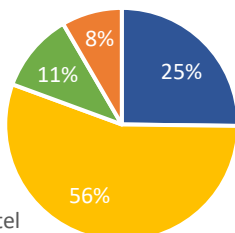
## The market leader in growing fixed services

### Fixed (wired and wireless) broadband subscriber market share (Q1 2023)



■ SLT-Mobitel ■ Dialog Axiata ■ Lanka Bell

### Mobile subscriber market share (Q1 2023)



■ SLT-Mobitel  
■ Dialog Axiata  
■ Hutchison Telecommunications Lanka  
■ Bharti Airtel Lanka

Source : TeleGeography

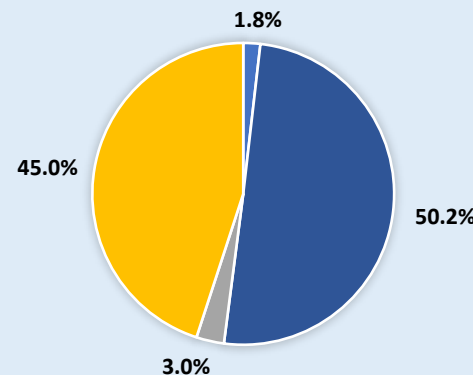
SLT Factsheet - October 2023



## Envisaged transaction

- The Secretary of the Treasury of the Government of Sri Lanka (“GoSL”), wishes to **divest a controlling stake of 50.23% in Sri Lanka Telecom PLC, i.e. SLT Group (“SLT”)** to an **experienced telecom investor** to be selected through an open, transparent and competitive tender process (**the “Transaction”**).
- The State-Owned Enterprises Restructuring Unit (“**SOERU**”) of the Ministry of Finance, Economic Stabilization & National Policies of the GoSL is the agency mandated to implement GoSL’s SOE reform program.
- The investor shall support SLT’s growth trajectory as well as Sri Lanka’s digitalization efforts to connect millions with reliable fast telecommunication services, to enable the country’s digital economy.

## SLT shareholding structure



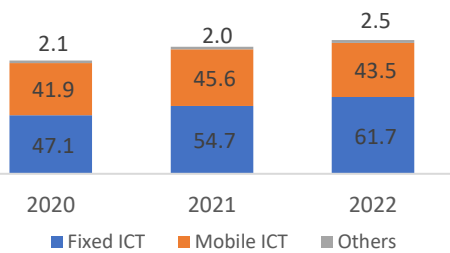
■ GoSL (indirect)  
■ GoSL (direct)  
■ Other minority shareholders  
■ Global Telecommunications Holdings NV

Source : SLT, SOERU, July 2023

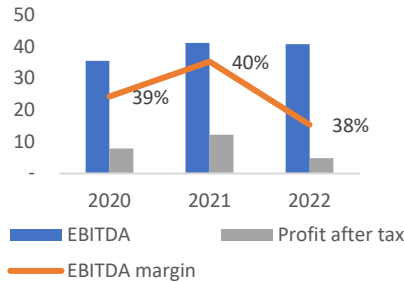
## Resilient financial performance

In FY2022, SLT delivered an overall EBITDA margin of 38% which is broadly consistent with peers.

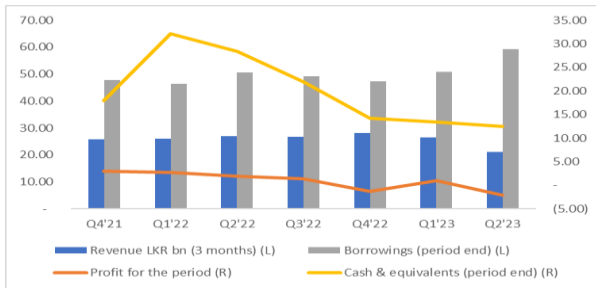
### Revenue Compositions (LKR Bn.)



### EBITDA, PAT (LKR Bn.)



### Revenue, Profit, Borrowing and Cash & Equivalents



Source : SLT Reports – www.slt.lk

Source : SLT Reports – www.slt.lk

SLT's standalone credit profile is strong, and is rated A(Ika) by Fitch; a change in majority shareholder and/or upgrade in Sri Lanka's sovereign rating could lead to an upgrade. SLT recorded EBITDA net leverage of 1.5 in 2022.

## Considerable strategic network assets

### Submarine cable systems

SLT controls 5 of the 8 international submarine cable systems connecting Sri Lanka to the world: BharatLanka, Dhiraagu-SLT, SEA-ME-WE3, SEA-ME-WE4 and SEA-ME-WE5 (with capacity of 1.45Tbps to France & 2.5Tbps to Singapore and 0.15T to Italy). SLT has invested in 6.6 Tbps for each east and west sides of additional capacity on the upcoming SEA-ME-WE6 cable expected to be ready for service in Q42025.

### National backbone network (NBN)

SLT operates the only nationwide National Backbone Network in Sri Lanka with a total fibre cable distance of nearly 65,000km across the country.

Built on 100G technology, its IP network is the largest in the country. It connects 75 SLBN nodes and 500 IP nodes across the country.

### Fixed access network

SLT is deploying a FTTH network with a capacity of 1.2 million fibre ports at the end of 2022. SLT operates the only fixed copper access network (>360 towns/cities in all 25 districts) based on which it provides DSL services.

### Mobile and fixed wireless networks

SLT-Mobitel 3G and 4G mobile networks provide coverage to 95% and 90% of the population respectively. SLT also launched 5G on trial basis.



## Corporate Governance and ESG

SLT is listed on the Colombo Stock Exchange ([www.cse.lk](http://www.cse.lk)), trading under the code SLTL.N0000.

As per the Take-overs and Mergers Code of 1995, a **mandatory offer** will be required to be extended to minority shareholders upon acquisition of at least 30% of the voting rights of a listed company, as will be the case in this Transaction.

SLT's financial statements, available on the CSE website, are **audited by Ernst & Young**.

SLT follows the four strategic components of **good corporate governance** – namely accountability, transparency, fairness and responsibility.

SLT has recently implemented a series of HR-related improvement measures to **create and maintain the right corporate environment for employees to thrive**, promoting talent development and retention, allowing employees to work at their highest levels of productivity in a healthy and safe environment.

SLT strives to **achieve carbon neutral operations** through energy efficiency measures (Obtained the certification according to ISO 14064:1:2018 standards), waste management strategies, and conservancy measures. SLT follows the ISO 31000:2018 Risk Management guidelines.



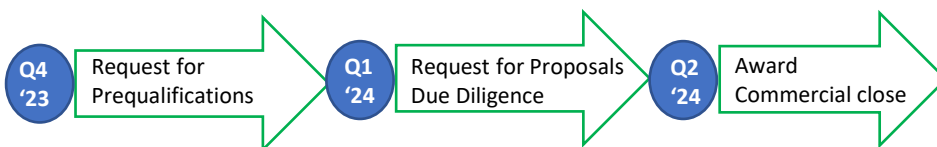
## Sri Lanka on the path to sustainable recovery

- **Pursuing economic growth** : The GoSL has taken major actions to return to positive growth. Sri Lanka is an attractive emerging free-market economy, with a GDP of USD74.4 billion in 2022. The current economic downturn comes after a decade of strong growth that is expected to return in the medium-term through increased exports and consumption; the EIU forecasts real GDP to grow at an annual average of about 3.5% in 2025-2027.
- **Proactively safeguarding public finances** : The IMF Board approved a USD3billion package in Mar 2023 to restore macroeconomic stability and debt sustainability, safeguard financial stability, and step up structural reforms to unlock Sri Lanka's growth potential. The Economist Intelligence Unit (EIU) forecasts an improvement in public finances in 2024-2027 as the GoSL is coming to an agreement with lenders to restructure its foreign debt and is steadfastly implementing austerity and improved governance measures.
- **Controlling Inflation** : Proactive fiscal policy reforms are being implemented by GoSL to manage inflationary pressures, aided by factors such as stabilizing commodity prices have resulted in a significant improvement in 2023. The EIU forecasts inflation to return to ~3-4% from 2024.
- **Politics** : next Presidential elections are scheduled to take place in H2 2024; the current President is eligible to run for a second term. Parliamentary elections are due in 2025.
- **Key data** : 22.1M inhabitants (est. 2022, source : Department of Census and statistics); land area : 65,610 km<sup>2</sup>; density : 349 persons per km<sup>2</sup>

Key Indicators	2022	2023f	2024f	2025f	2026f	2027f
Real GDP Growth (%)	-7.8	-4.8	5.6	3.6	3.5	3.6
Consumer price inflation (av; %)	45.2	18.3	3.3	3.7	4.5	4.2
Short-term interest rate (av; %)	13.5	13.6	6.9	5.6	5.0	4.8
Unemployment rate (%)	4.7	6.4	6.0	5.5	5.3	5.0
Exchange rate SLRs:US\$ (av)	322.6	297.0	225.5	204.5	200.5	198.5

Source : EIU; Aug 2023

## Indicative divesture process



All public announcements related to the divestiture process will be published on SOERU's website:

<https://www.treasury.gov.lk/web/sru/section/divestitures>



## Contacts

**Questions on the Request for Clarification may be addressed only to:**

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*Transaction Team Lead*

SOERU

**Ministry of Finance, Economic Stabilization & National Policies**

[SLT@sru.gov.lk](mailto:SLT@sru.gov.lk)

**The anticipated transaction is a shareholder level transaction, not a company level transaction, and as such SLT is not to be contacted during the process.**

## Disclaimer

This document (the “**Factsheet**”) has been prepared by State-Owned Enterprises Restructuring Unit (“**SOERU**”) of the Ministry of Finance of the GoSL solely for the purpose of assisting prospective investors to preliminarily assess the opportunity (“**Opportunity**”) to take part in the bidding process for the acquisition of the Government of Sri Lanka (“**GoSL**”)’s shares in Sri Lanka Telecom PLC (“**SLT**”) (“**Transaction**”).

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## Additional information

For more information, please visit :

SOERU’s website at:

<https://www.treasury.gov.lk/web/sru/section/divestitures>

SLT’s website at : [www.slt.lk](http://www.slt.lk)

CSE’s website at : [www.cse.lk](http://www.cse.lk)

