Journey to Telco-TechCo

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Axiata's Journey From Telco to Telco-TechCo is designed to address Short Term and Long Term Shareholder Value Creation.

UPLIFT CAPITAL PRODUCTIVITY	RELEASE & ILLUMINATE TRAPPED VALUE	IGNITE NEXT WAVE OF PROFITABLE GROWTH	BEAT COST OF CAPITAL
Backdrop of CAPEX Cycles (5G Ahead) and Low ARPU Conditions in Emerging and Frontier Markets	Release Value Trapped in the Integrated Telco Model & Seed Illumination Platforms	Profitable Growth via Current & "Beyond Connectivity" Revenue Classes	ROIC, Profitability & Yield Aspirations (TSR)

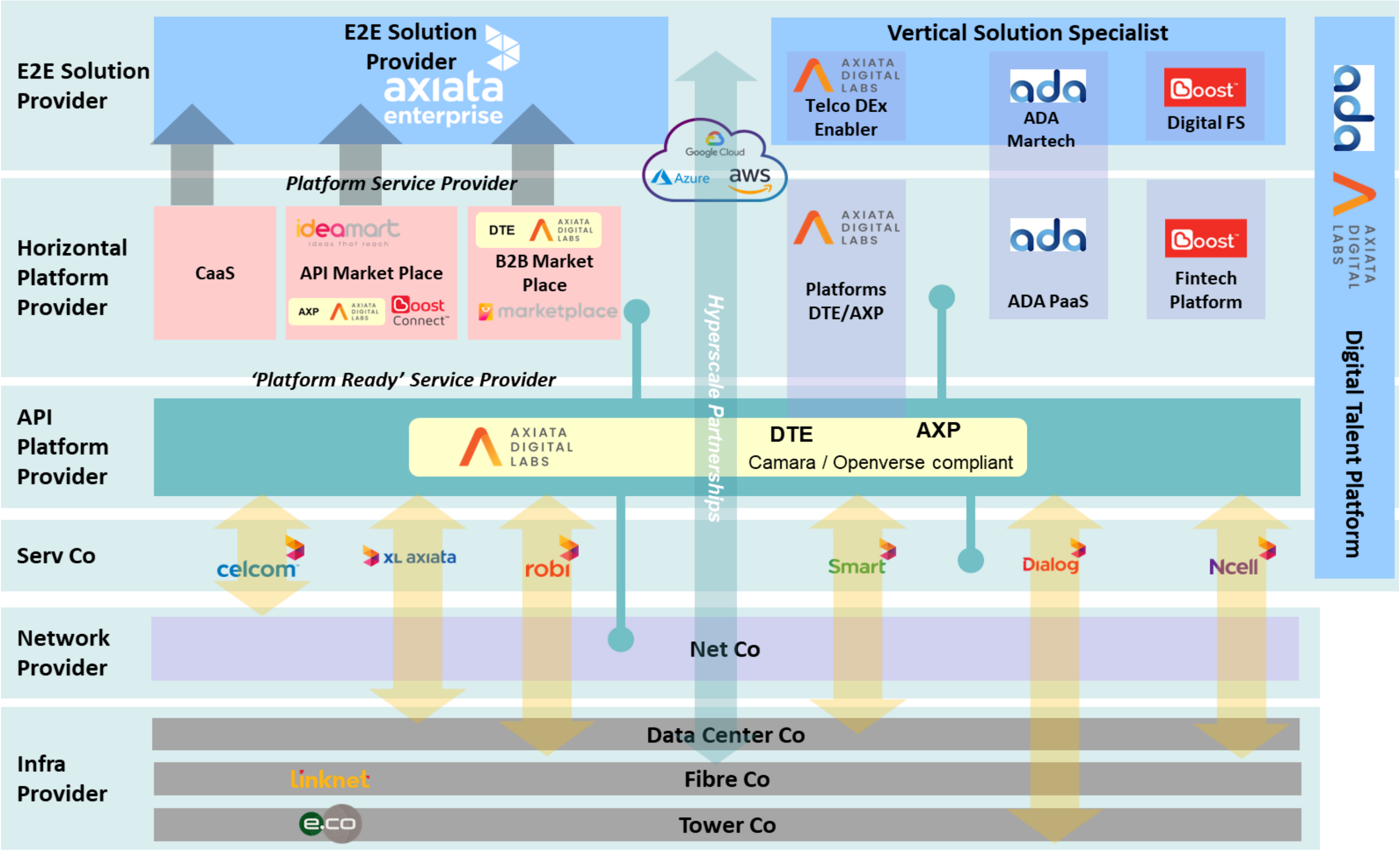
Key Context & Application of TechCo Concepts (non-exhaustive)

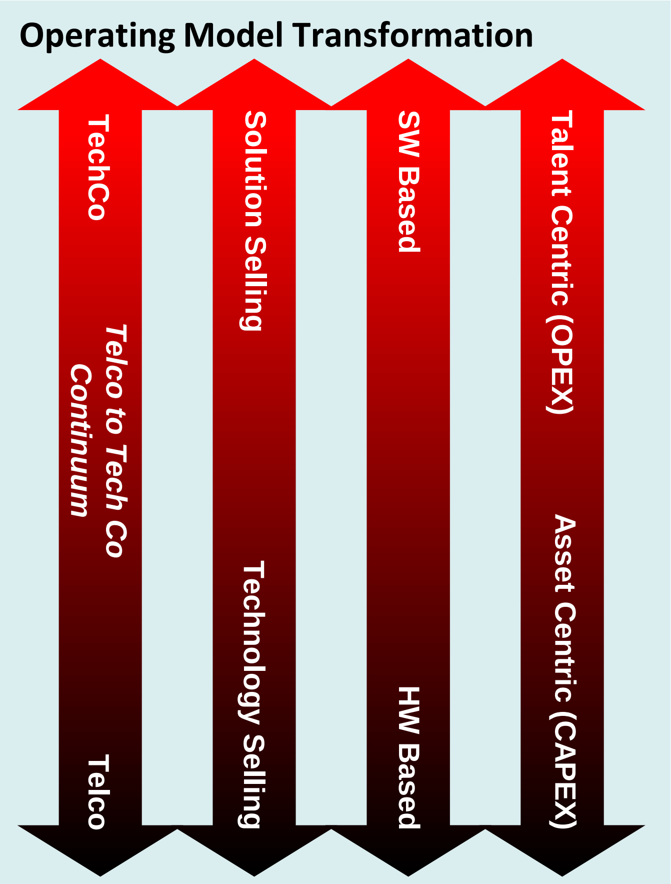
TECHCO CONCEPTS

- De-layering of Legacy Telco, X-COs for Higher Utilization, Capital Productivity, Value Illumination
- Win in Platforming, Cloud & B2B2X
- Asset Light, Talent Centric
- API First Open Architecture, Zero-Touch Partnering, Eco-System Innovation

Axiata's TechCo Canvas depicts a Journey from a Telco to Telco-TechCo - an Evolution rather than a Step Change. Axiata's evolution evidenced since 2013 - Pre-Dating "Buzz Words" of TechCo & Delayering.

Recap from AAID 2022: Telco-TechCo Strategy Canvas – Axiata level view





Priority Drivers

- TCO – CAPEX & OPEX
- IT & SW Transformation @ Core
- Partners & Ecosystems
- Digital Talent
- De-Layer X-Cos
- Asset Light

Telco-TechCo is an **Evolution of a Pure (Legacy) Telco** which **Retains the Fundamental Core Strength of "Connectivity",** embracing **TechCo Principles** to deliver **Higher Returns on Capital** and spawn **New Growth Frontiers.**

Axiata's "Journey to Telco-TechCo" will arrest CAPEX escalation, lead to lower cost to serve and create valuation upside to deliver its financial aspirations.

Key Blocks of Axiata's Telco-TechCo Journey

Network Cost Excellence	Innovation-led Enablers	Asset Light & Strategic Partnerships	Win in Platforming & Solutions
CAPEX & OPEX savings Cost per GB reduction towards 10c/GB	Savings on new development & TCO	Revenue & EV upsides	Revenue & EV upsides

Key Network initiatives will lead to material cumulative CAPEX savings by 2026.

5G

- Network readiness for NSA
- Formulate spectrum strategy
- Develop use cases roadmap
- New services – Video, gaming, FWA etc.
- Material reduction of Cost per GB

Architecture Simplification

- Fiberization
- DC consolidation
- Virtualization, legacy removal etc.
- Future CAPEX and OPEX reduction in transport and core domains

Cloud Core

- Gradually implementing Cloud Native 5G SA Convergent Core
- New services – enterprise etc.
- Fixed mobile convergence
- Improved customer experience
- Reduce time to market
- Significant reduction of Core cost to serve anticipated

Autonomous Network

- Develop a framework
- Implement AI/ML based control loop automation
- Use cases-based implementation – SON, Energy efficiency
- Reduced time to market
- Material TCO savings per use case

Open Networks

- Open RAN
- Open Optical Networks
- Open Disaggregated Routers
- Adopt to open networking architecture
- 3-4 years maturity time still

Network Sharing

- RAN network sharing for 4G and 5G
- Fiber and infra sharing
- Material CAPEX & OPEX reduction

Arrest OPEX

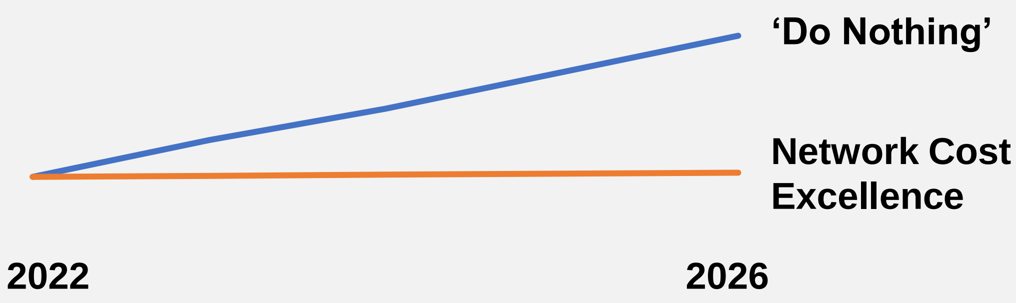
- Outdoorization
- Solar
- Network modernization
- OPEX escalation at max ½ of revenue growth

Vendor Strategy

- Improve CAPEX efficiency through vendor footprint review and new Procurement approach

Network Cost Excellence initiatives will enable Digital Telco OpCos to keep Network CAPEX flat, instead of growing rapidly in the coming years. Financial impact included in forecasted underlying performance.

Axiata Digital Telco' CAPEX Forecast



- In a 'Do Nothing' scenario, Mobile Network CAPEX would increase by >20% by 2026.
- Transformation strategies will reduce CAPEX intensity to below 20%.

Axiata Data Margin Development – 10c/GB by 2025 still a key Target

	Q1 21	Q2 23	*ARPU increase: ~8%*
Revenue / GB (USD)	0.28	0.147	*Traffic increase: 50%*
Cost / GB (USD)	0.27	0.135	*Cost reduction: 19%*

Data margin remains flat. Savings from network cost optimization mitigated by lower ARPU vs traffic growth.

	T	axiata
ARPU (USD)	10.6	2.3
GB / Subs	12	9
CAPEX intensity (%)	18%	25%

AGB's comparably high CAPEX intensity a function of low ARPU market structures.

IT Transformation to create foundation of Telco-TechCo.

IT Transformation is at the heart of the TechCo Journey

- ***API First Architecture** – Software at the Core*
- ***Asset Light**, Inhouse Control of Software*
- *Radical IT **OPEX and CAPEX** Reduction*
- *Step Change in **Agility and Speed** to Market*
- *Ignite **Platform Play, Cloud Solutions** and Growth*

Transformation Drivers & Axiata Proof Points

- ***Architecture Innovation**: Axiata among top 3 Telcos running on TMForum ODA*
- ***Talent & Capacity**: 1400 Software engineers @ Axiata Digital Labs*
- ***Proven Platform Play**: 70,000 external developers using platform*
- ***Ways of Work:** Data Driven → AI/ML Drive → AI Factory*
- ***OPEX and CAPEX Reduction** of 40% → 2019-2022*

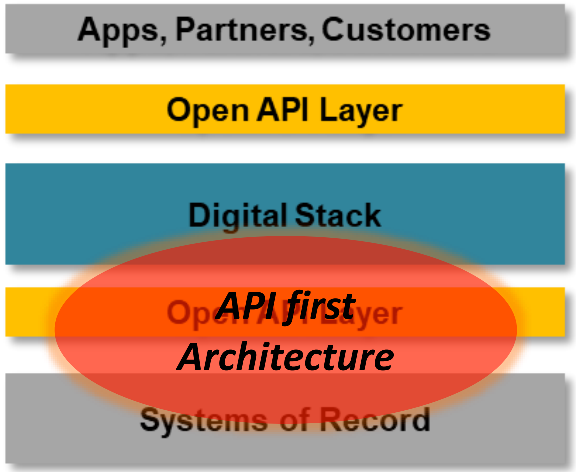
Accelerating forward, building on Tech Platform & Talent Pool

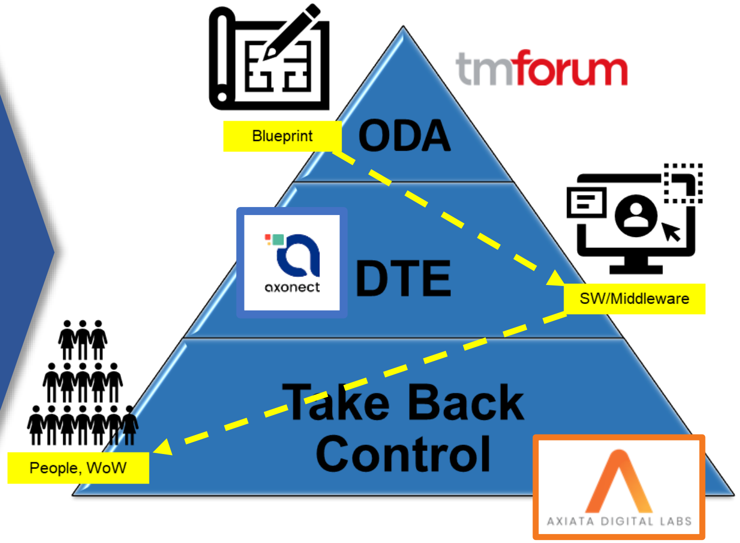
- ***IT Cost/Rev < 3%***
- *Increased **GTM velocity** via simplification and Platform use*
- ***Axonect DTE** as a globally accepted Digital Telco Middleware*
- ***AI Factory** @ Scale augmented by Generative AI*
- ***ADL** the TechCo - Telco & Fintec Transformer & Cloud SI for Enterprise Solutions*

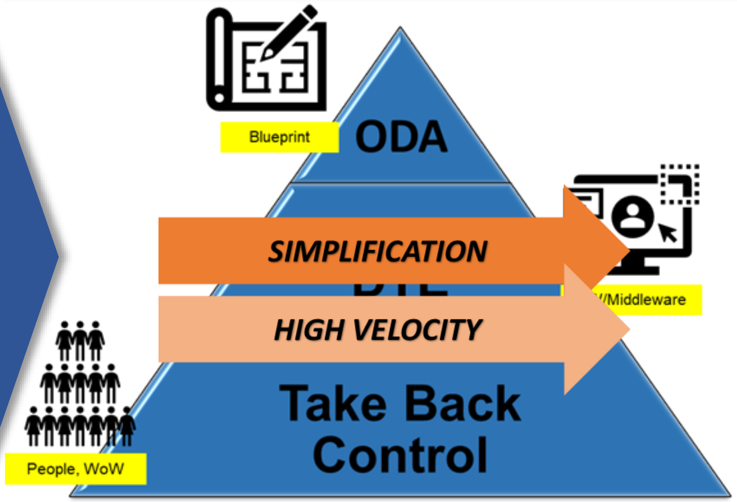
IT Transformation to create foundation of Telco-TechCo.

Reducing IT cost by 40%, enabling agility and higher go to market velocity.

2019-2021 Design and Buildout	2022-2023 Operationalization at scale & ROI	2024-2025 Capturing Value from Platform



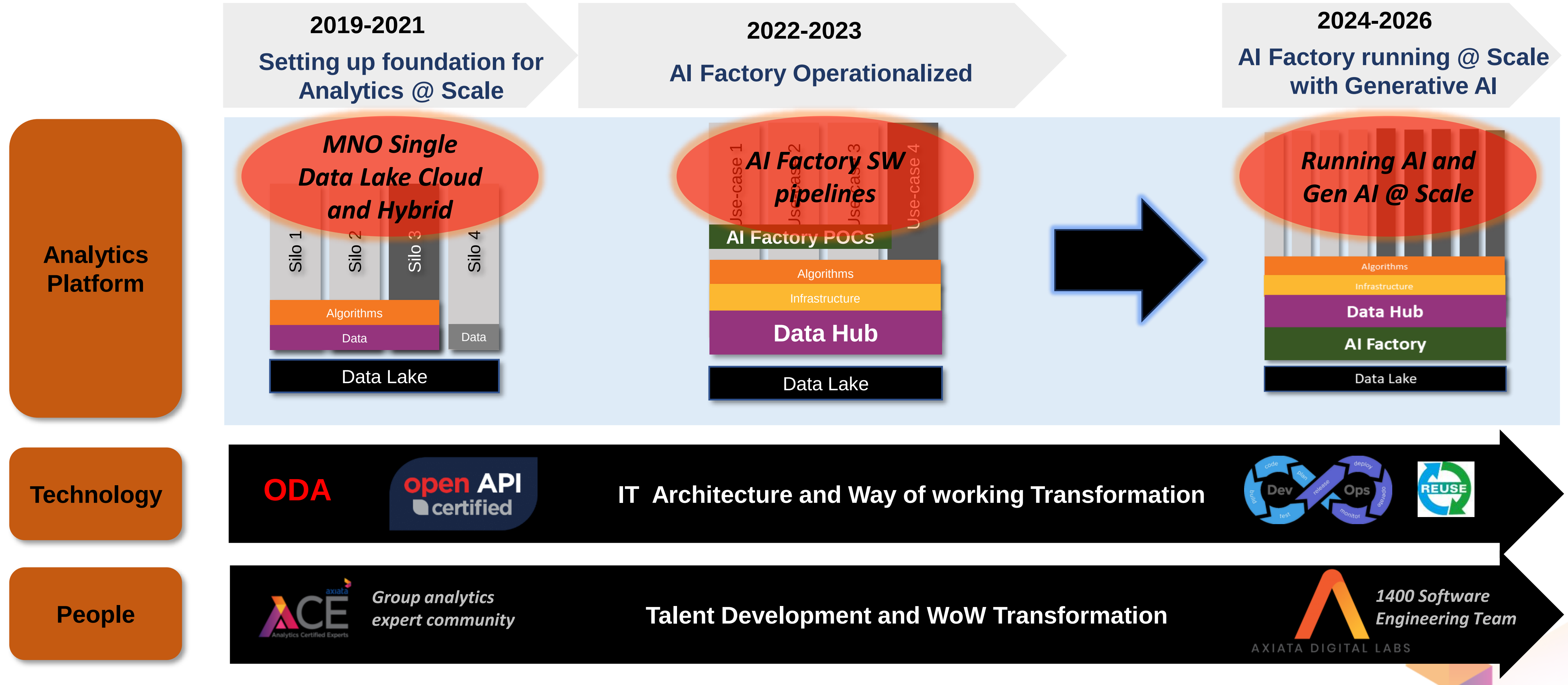




Embraced TMForum Open Digital Architecture (ODA) *Take Back Control of SW Development*	*Developed own Telco Digital stack (DTE)* *ADL's 1400 strong SW Engineering Team* *AI Factory strategy execution*	*Velocity via DTE Platform and Cloud* *Impact from AI Factory* *Simplification and speed of GTM*
IT stacks re-wired for ODA ✓	*Axiata among top Telcos for ODA* ✓	*IT Cost/Rev <3%*
Building the Software Factory ✓	*40% IT cost reduction, 2X GTM speed* ✓	*Increased Velocity in GTM/Agility*

Evolution of Axiata analytics to an AI Factory.

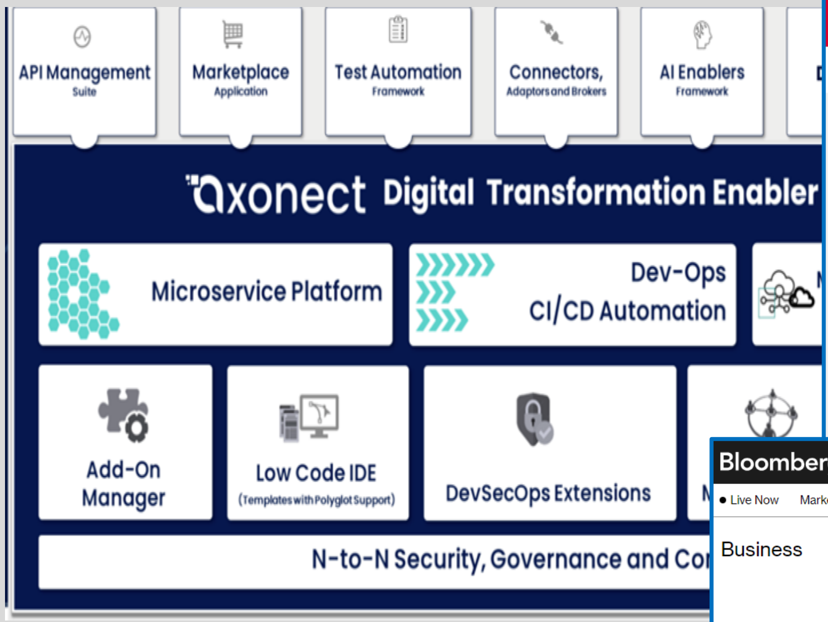
Transformation of analytics platform, IT stack and people to support the journey.

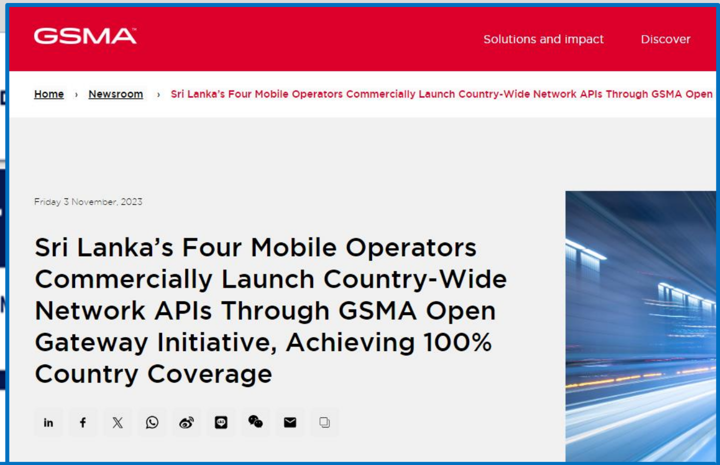


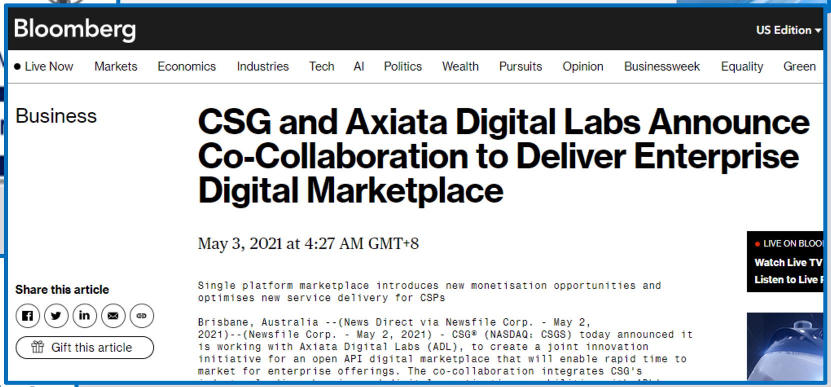
ADL's 1400 strong software engineering team and DTE the digital telco platform powering the TechCo journey of Axiata.

ADL's strong SW engineering team taking back control of Software @ Axiata

ADL's Axonect DTE - The Digital Telco Platform powering Telco's ServCo and API business







Thank you