



AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

The Board of Directors of Axiata Group Berhad is pleased to announce the following unaudited interim results of the Group for the financial year ended 31 December 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	4th Quarter Ended		Financial Year Ended	
	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Revenue	5,834,911	5,336,465	21,725,735	19,994,368
Operating costs				
- depreciation, impairment and amortisation	(1,998,830)	(1,636,167)	(7,070,912)	(6,317,817)
- impairment of goodwill	(4,145,544)	(338,440)	(4,145,544)	(340,029)
- foreign exchange (losses)/gains	(80,657)	(9,858)	(420,480)	58,050
- domestic interconnect, international outpayment and other direct costs	(653,943)	(612,062)	(2,148,369)	(1,972,088)
- marketing, advertising and promotion	(492,970)	(503,799)	(1,862,175)	(1,858,864)
- other operating costs	(1,627,734)	(1,552,268)	(6,328,825)	(5,685,331)
- staff costs	(452,462)	(341,127)	(1,662,470)	(1,536,728)
- provision for impairment on financial assets, net	(59,565)	(5,354)	(127,251)	(39,098)
- other gains/(losses) - net	2,939	(12,383)	28,225	17,026
Other income/(expense) - net	11,197	25,195	(33,426)	107,224
	(3,662,658)	350,202	(2,045,492)	2,426,713
Finance income	95,779	48,560	255,274	179,684
Finance costs	(569,180)	(412,488)	(1,827,015)	(1,411,448)
Foreign exchange gains/(losses) on financing activities	395,383	4,256	(564,533)	(234,355)
	(173,797)	(408,232)	(2,391,548)	(1,645,803)
Joint ventures				
- share of results (net of tax)	(1,768)	(1,187)	(9,709)	(7,706)
Associates				
- share of results (net of tax)	(45,319)	(336)	(56,817)	(1,663)
(Loss)/Profit before taxation from continuing operations	(3,787,763)	(10,993)	(4,248,292)	951,225
Taxation and zakat	(138,273)	(223,538)	(614,666)	(643,690)
(Loss)/Profit for the financial period/year from continuing operations	(3,926,036)	(234,531)	(4,862,958)	307,535
<u>Discontinued operations</u>				
Gain on disposal of a group of subsidiaries - net	13,472,081	-	13,472,081	-
Profit for the financial period/year from discontinued operations	516,309	446,032	1,424,208	969,346
Profit for the financial period/year	10,062,354	211,501	10,033,331	1,276,881



AXIATA GROUP BERHAD
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	4 th Quarter Ended		Financial Year Ended	
	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000	RM'000	RM'000
Other comprehensive (expense)/income (net of tax):				
<u>Continuing operations</u>				
Items that will not be reclassified to profit or loss:				
- actuarial (losses)/gains on defined benefits plan (net of tax)	(13,960)	10,200	657	16,095
- fair value through other comprehensive income	(77,422)	(24,106)	(47,698)	(7,632)
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	(1,520,798)	(93,990)	(1,825,020)	303,572
- net cash flow hedge	25,243	(19,098)	(355,344)	7,717
- net cost of hedging	20,651	(17,218)	13,348	(84,949)
<u>Discontinued operations</u>				
- currency translation differences	219	-	273	-
Other comprehensive (expense)/income for the financial period/year (net of tax)	(1,566,067)	(144,212)	(2,213,784)	234,803
Total comprehensive income for the financial period/year	8,496,287	67,289	7,819,547	1,511,684
(Loss)/Profit for the financial period/year attributable to:				
- owners of the Company:				
- continuing operations	(4,019,292)	(326,506)	(5,117,607)	(136,913)
- discontinued operations	13,986,682	442,530	14,883,242	955,813
	9,967,390	116,024	9,765,635	818,900
- non-controlling interests:				
- continuing operations	93,256	91,975	254,649	444,448
- discontinued operations	1,708	3,502	13,047	13,533
	94,964	95,477	267,696	457,981
	10,062,354	211,501	10,033,331	1,276,881



AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	4th Quarter Ended		Financial Year Ended	
	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000	RM'000	RM'000
Total comprehensive (expense)/income for the financial period/year attributable to:				
- owners of the Company:				
- continuing operations	(5,168,137)	(450,660)	(6,879,635)	(9,993)
- discontinued operations	13,986,901	442,530	14,883,515	955,813
	8,818,764	(8,130)	8,003,880	945,820
- non-controlling interests:				
- continuing operations	(324,185)	71,917	(197,380)	552,331
- discontinued operations	1,708	3,502	13,047	13,533
	(322,477)	75,419	(184,333)	565,864
	8,496,287	67,289	7,819,547	1,511,684
Earnings Per Share (sen) (Part B, Note 12)				
- basic:				
- continuing operations	(43.8)	(3.6)	(55.8)	(1.5)
- discontinued operations	152.4	4.9	162.2	10.4
	108.6	1.3	106.4	8.9
- diluted:				
- continuing operations	(43.8)	(3.6)	(55.7)	(1.5)
- discontinued operations	152.3	4.9	162.0	10.4
	108.5	1.3	106.3	8.9



AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000
	Unaudited	Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,914,272	13,905,207
Reserves	9,982,416	4,100,117
Total equity attributable to owners of the Company	23,896,688	18,005,324
Non-controlling interests	6,746,719	7,060,505
Total equity	30,643,407	25,065,829
NON-CURRENT LIABILITIES		
Borrowings	18,338,172	14,819,079
Derivative financial instruments	207,347	91,162
Deferred income	3,403	260,360
Deferred gain on sale and leaseback assets	176,950	307,754
Trade and other payables	805,952	1,116,080
Lease liabilities	8,604,274	8,412,149
Provision for liabilities	846,488	747,795
Deferred tax liabilities	933,812	1,377,516
Total non-current liabilities	29,916,398	27,131,895
	60,559,805	52,197,724

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)



AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)		
	<u>31/12/2022</u> RM'000 Unaudited	<u>31/12/2021</u> RM'000 Audited
NON-CURRENT ASSETS		
Intangible assets	13,464,899	21,722,687
Contract cost assets	138,210	232,519
Property, plant and equipment	27,201,035	26,975,288
Right-of-use assets	9,313,782	8,983,213
Joint ventures	15,682	25,569
Associates	15,595,149	257,898
Financial assets at fair value through other comprehensive income	178,924	220,744
Financial assets at fair value through profit or loss	5,758	5,678
Derivative financial instruments	23,292	76,817
Trade and other receivables	874,678	1,280,866
Deferred tax assets	175,637	358,530
Total non-current assets	66,987,046	60,139,809
CURRENT ASSETS		
Inventories	221,562	222,747
Trade and other receivables	6,863,366	5,060,933
Derivative financial instruments	3,841	121
Financial assets at fair value through profit or loss	34	65
Tax recoverable	106,984	109,514
Deposits, cash and bank balances	7,452,242	6,969,352
Assets classified as held-for-sale	-	47,889
	14,648,029	12,410,621
LESS: CURRENT LIABILITIES		
Trade and other payables	10,534,267	13,555,061
Deferred gain on sale and leaseback assets	119,251	123,902
Deferred income	1,728	3,609
Lease liabilities	1,839,617	1,758,846
Borrowings	7,096,004	4,231,416
Derivative financial instruments	17,748	20,497
Current tax liabilities	640,704	653,031
Dividend payable	825,951	-
Liabilities classified as held-for-sale	-	6,344
Total current liabilities	21,075,270	20,352,706
Net current liabilities	(6,427,241)	(7,942,085)
	60,559,805	52,197,724
Net assets per share attributable to owners of the Company (sen)	260	196

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)



AXIATA GROUP BERHAD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
	Attributable to equity holders of the Company							Total equity
	Share capital	Share capital	Currency translation differences	Reserves	Retained earnings	Total	NCI	
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	9,174,987	13,905,207	(741,705)	(1,913,128)	6,754,950	18,005,324	7,060,505	25,065,829
Profit for the financial year	-	-	-	-	9,765,635	9,765,635	267,696	10,033,331
Other comprehensive (expense)/income:								
-Currency translation differences of subsidiaries	-	-	(1,369,163)	-	-	(1,369,163)	(455,584)	(1,824,747)
-Net cash flow hedge	-	-	-	(355,889)	-	(355,889)	545	(355,344)
-Net cost of hedging	-	-	-	13,479	-	13,479	(131)	13,348
-Actuarial (losses)/gains (net of tax)	-	-	-	(2,420)	-	(2,420)	3,077	657
-Revaluation of financial assets at FVTOCI	-	-	-	(47,762)	-	(47,762)	64	(47,698)
Total comprehensive (expense)/income	-	-	(1,369,163)	(392,592)	9,765,635	8,003,880	(184,333)	7,819,547
Transactions with owners:								
-Dilution/accretion of equity interests in subsidiaries	-	-	21,156	(436)	(702,972)	(682,252)	(666,674)	(1,348,926)
-New/additional investments in subsidiaries	-	-	-	-	(74,616)	(74,616)	669,085	594,469
-Disposal of subsidiaries	-	-	(273)	-	-	(273)	(102,572)	(102,845)
-Rights issue of subsidiaries	-	-	(66,824)	1,918	26,945	(37,961)	205,958	167,997
-Dividends declared to shareholders of the Company	-	-	-	-	(1,330,676)	(1,330,676)	-	(1,330,676)
-Dividends declared to NCI	-	-	-	-	-	-	(235,788)	(235,788)
-Share-based compensation expense	-	-	-	13,262	-	13,262	538	13,800
-Transferred from share-based payment reserve upon vesting	2,250	9,065	-	(9,065)	-	-	-	-
Total transactions with owners	2,250	9,065	(45,941)	5,679	(2,081,319)	(2,112,516)	(129,453)	(2,241,969)
At 31 December 2022 (Unaudited)	9,177,237	13,914,272	(2,156,809)	(2,300,041)	14,439,266	23,896,688	6,746,719	30,643,407
Non-controlling interests ("NCI")	Fair value through other comprehensive income ("FVTOCI")							

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)								
	Attributable to equity holders of the Company							Total equity RM'000
	Share capital '000	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	
	At 1 January 2021	9,169,541	13,883,028	(1,002,020)	(1,822,687)	6,582,821	17,641,142	
Profit for the financial year	-	-	-	-	818,900	818,900	457,981	1,276,881
Other comprehensive income/(expense):								
-Currency translation differences of subsidiaries	-	-	200,934	-	-	200,934	102,638	303,572
-Net cash flow hedge	-	-	-	6,291	-	6,291	1,426	7,717
-Net cost of hedging	-	-	-	(83,419)	-	(83,419)	(1,530)	(84,949)
-Actuarial gains (net of tax)	-	-	-	10,674	-	10,674	5,421	16,095
-Revaluation of financial assets at FVTOCI	-	-	-	(7,560)	-	(7,560)	(72)	(7,632)
Total comprehensive income/(expense)	-	-	200,934	(74,014)	818,900	945,820	565,864	1,511,684
Transactions with owners:								
-Dilutions of equity interests in subsidiaries	-	-	3,489	(10,080)	94,030	87,439	158,871	246,310
-New/Additional investments in subsidiaries	-	-	-	-	(3,707)	(3,707)	27,424	23,717
-Partial disposal of a subsidiary	-	-	55,892	(1,253)	81,456	136,095	285,838	421,933
- Accretion of equity interest in a subsidiary	-	-	-	-	808	808	(808)	-
-Dividends declared to shareholders of the Company	-	-	-	-	(825,539)	(825,539)	-	(825,539)
-Dividends declared to NCI	-	-	-	-	-	-	(214,603)	(214,603)
-Share-based compensation expense	-	-	-	23,266	-	23,266	(369)	22,897
-Transferred from share-based payment reserve upon vesting/forfeiture	5,446	22,179	-	(28,360)	6,181	-	-	-
Total transactions with owners	5,446	22,179	59,381	(16,427)	(646,771)	(581,638)	256,353	(325,285)
At 31 December 2021 (Audited)	9,174,987	13,905,207	(741,705)	(1,913,128)	6,754,950	18,005,324	7,060,505	25,065,829



AXIATA GROUP BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Reserves							Total
	Capital contribution	Merger	Hedging	Cost of hedging	Actuarial	Share-based payment	FVTOCI	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	16,598	346,774	25,226	(82,256)	14,626	29,265	(2,263,361)	(1,913,128)
Other comprehensive (expense)/income:								
-Net cash flow hedge	-	-	(355,889)	-	-	-	-	(355,889)
-Net cost of hedging	-	-	-	13,479	-	-	-	13,479
-Actuarial gains (net of tax)	-	-	-	-	(2,420)	-	-	(2,420)
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(47,762)	(47,762)
Total comprehensive (expense)/income	-	-	(355,889)	13,479	(2,420)	-	(47,762)	(392,592)
Transactions with owners:								
-Dilution/accretion of equity interests in subsidiaries	-	(12)	-	-	4,794	(5,220)	2	(436)
-Rights issue of subsidiaries	-	-	-	-	1,918	-	-	1,918
-Share-based compensation expense	-	-	-	-	-	13,262	-	13,262
-Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(9,065)	-	(9,065)
Total transactions with owners	-	(12)	-	-	6,712	(1,023)	2	5,679
At 31 December 2022 (Unaudited)	16,598	346,762	(330,663)	(68,777)	18,918	28,242	(2,311,121)	(2,300,041)
At 1 January 2021	16,598	346,774	18,935	1,163	5,232	44,413	(2,255,802)	(1,822,687)
Other comprehensive income/(expense):								
-Net cash flow hedge	-	-	6,291	-	-	-	-	6,291
-Net cost of hedging	-	-	-	(83,419)	-	-	-	(83,419)
-Actuarial gains (net of tax)	-	-	-	-	10,674	-	-	10,674
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(7,560)	(7,560)
Total comprehensive income/(expense)	-	-	6,291	(83,419)	10,674	-	(7,560)	(74,014)
Transactions with owners:								
-Dilutions of equity interests in subsidiaries	-	-	-	-	(30)	(10,051)	1	(10,080)
-Partial disposal of a subsidiary	-	-	-	-	(1,250)	(3)	-	(1,253)
-Share-based compensation expense	-	-	-	-	-	23,266	-	23,266
-Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(28,360)	-	(28,360)
Total transactions with owners	-	-	-	-	(1,280)	(15,148)	1	(16,427)
At 31 December 2021 (Audited)	16,598	346,774	25,226	(82,256)	14,626	29,265	(2,263,361)	(1,913,128)



AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

CONSOLIDATED STATEMENT OF CASH FLOWS		
	FOR THE FINANCIAL	
	YEAR ENDED	
	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000
	Unaudited	Audited
Receipts from customers and others	24,059,934	25,250,051
Payments to suppliers, employees and others	(12,769,560)	(14,438,737)
Payments of finance costs	(1,590,874)	(1,398,060)
Payments of income taxes and zakat (net of refunds)	(875,464)	(576,240)
CASH FLOWS FROM OPERATING ACTIVITIES*	8,824,036	8,837,014
Proceeds from disposal of property, plant and equipment ("PPE")	30,588	118,547
Purchase of PPE	(9,682,591)	(6,366,742)
Proceeds from disposal of an intangible asset ("IA")	1,556	3,568
Acquisition of IA	(446,079)	(573,915)
Investments in deposits maturing more than three (3) months	(569,293)	80,400
Investments in subsidiaries (net of cash acquired)	(2,780,487)	(1,400,993)
Additional investments in associates	(4,504)	(2,421)
Purchase of other investments	-	(12,672)
Additional investments in other investments	(7,556)	-
Net proceeds from disposal of a group of subsidiaries	1,753,040	-
Net proceeds from disposal of other investments	-	559
Payments for right-of-use ("ROU") assets	(95,703)	(123,866)
Repayments from/(Advances to) employees	1,094	(282)
Dividend received from associates	16,524	5,262
Interests received	228,644	149,820
Redemption of preference shares by an associate	-	5,837
CASH FLOWS USED IN INVESTING ACTIVITIES*	(11,554,767)	(8,116,898)
Proceeds from borrowings (net of transaction costs)	17,209,880	4,557,752
Proceeds from Sukuk	1,823,000	-
Repayments of borrowings	(11,212,645)	(3,222,604)
Repayments of Sukuk	(790,914)	(666,907)
Repayments of lease liabilities	(1,705,311)	(1,522,063)
Net proceeds from rights issue of subsidiaries	167,997	-
Net proceeds from mandatory tender offer of a subsidiary	(1,349,081)	-
Capital injections in subsidiaries by NCI	231	247,237
Net proceeds from partial disposal of a subsidiary	-	420,667
Redemption of preference shares	-	(309)
Dividends paid to shareholders	(504,724)	(825,539)
Dividends paid to NCI	(192,565)	(204,776)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES*	3,445,868	(1,216,542)

(The above Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)



AXIATA GROUP BERHAD
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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)		
	FOR THE FINANCIAL YEAR ENDED	
	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000
	Unaudited	Audited
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	715,137	(496,426)
NET INCREASE IN RESTRICTED CASH AND CASH EQUIVALENTS	43,213	116,784
EFFECT OF EXCHANGE RATE CHANGES	(733,245)	(30,190)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	6,312,330	6,722,162
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>6,337,435</u>	<u>6,312,330</u>
Deposits, cash and bank balances	7,452,242	6,969,352
Less:		
Deposits pledged and restricted cash	(179,324)	(222,536)
Deposits maturing more than three (3) months	(793,002)	(220,854)
Bank overdraft	(142,481)	(213,632)
Total cash and cash equivalents	<u>6,337,435</u>	<u>6,312,330</u>

* Includes cash flows from discontinued operations as follows:

	RM'000	RM'000
Cash flows from operating activities	2,613,048	2,627,879
Cash flows from/(used in) investing activities (includes net proceeds from disposal of a group of subsidiaries)	635,419	(943,739)
Cash flows used in financing activities	(1,997,167)	(1,751,301)
Net increase/(decrease) in cash and cash equivalents	<u>1,251,300</u>	<u>(67,161)</u>

(The above Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)



AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN
FINANCIAL REPORTING STANDARD 134**

1. Basis of Preparation

The unaudited financial statements for the financial year ended 31 December 2022 of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting”, International Accounting Standards 34 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”), and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 (“2021 Audited Financial Statements”).

2. Accounting Policies

The accounting policies and method of computation applied in the unaudited financial statements are consistent with those used in the preparation of the 2021 Audited Financial Statements except for the following:

- Annual Improvements to MFRS 9 “Financial Instruments”: Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities
- Amendments to MFRS 3 “Business Combinations”: Reference to Conceptual Framework
- Amendments to MFRS 116 “Property, Plant and Equipment”: Proceeds before Intended Use
- Amendments to MFRS 137 “Onerous Contracts”: Cost of Fulfilling a Contract

The above adoptions did not have material impact to the Group during the current quarter and financial year to date.

3. Seasonal or Cyclical Factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

4. Significant Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Group’s performance has taken into account the following:

- (a) On 2 June 2022, PT XL Axiata Tbk (“XL”) completed the acquisition of PT Hipernet Indodata (“Hypernet”) as disclosed in Part A, 12(d) of this announcement.

During the financial year to date, a total goodwill of RM70.5 million (IDR234.2 billion) [subject to finalisation of Purchase Price Allocation (“PPA”) exercise within twelve (12) months from the date of acquisition of Hypernet] was recognised on the date of acquisition in conjunction with the above acquisition.

- (b) On 22 June 2022, Axiata Investments Indonesia Sdn Bhd (“AII”), a wholly owned subsidiary of the Company and XL completed the acquisition of PT Link Net Tbk (“Link Net”) as disclosed in Part A, 12(e) of this announcement.

During the financial year to date, a total goodwill of RM1.3 billion (IDR4,369.9 billion) [subject to finalisation of PPA exercise within twelve (12) months from the date of acquisition of Link Net] was recognised on the date of acquisition in conjunction with the above acquisition.



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4. Significant Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (continued)

The Group's performance has taken into account the following: (continued)

- (c) On 19 April 2022, edotco Towers, Inc. [formerly known as ISOC edotco Towers, Inc.] ("edotco Towers"), a subsidiary of the Company via EDOTCO Group Sdn Bhd ("EDOTCO") entered into a Sale and Purchase Agreement ("edotco Towers SPA") with Smart Communications, Inc. and Digite! Mobile Philippines, Inc. ("collectively "Sellers") for the acquisition of all of Sellers' rights, title, benefits and interest in 2,973 telecommunication towers, including the energy and passive infrastructure related assets in the Philippines for a total purchase consideration of Philippine Peso ("PHP") 42,000.0 million (equivalent to RM3,358.3 million).

edotco Towers had:

- (i) on 1 June 2022 completed the purchase of 1,500 towers with a transaction value of PHP21,190.7 million (RM1,694.4 million);
- (ii) on 1 August 2022 completed the purchase of 503 towers with a transaction value of PHP7,106.0 million (RM566.4 million);
- (iii) on 3 October 2022 completed the purchase of 200 towers with a transaction value of PHP2,825.4 million (RM229.8 million); and
- (iv) on 10 February 2023 completed the purchase of 287 towers with a transaction value of PHP4,054.4 million (RM324.4 million).

The completion of the remaining towers shall be subject to the completion of, amongst others, the requisite documentation as per the edotco Towers SPA.

- (d) During the financial year to date, Smart Axiata Company Limited ("Smart") received a notice from Ministry of Posts and Telecommunications of Cambodia to pay one-off additional fees for the use of the microwave equipment from year 2016 to 2021 amounting to USD24.2 million (RM106.5 million) and penalties of USD16.2 million (RM71.3 million). The fees and penalties to be settled in four (4) equal installments. Smart paid its first and second installments of USD10.1 million each, on 19 September 2022 and 12 December 2022. The remaining installments are due in March 2023 and June 2023.
- (e) On 21 June 2021, the Company and Digi.Com Berhad ("Digi") entered into a conditional share purchase agreement to merge the telecommunication operations of Celcom Axiata Berhad ("Celcom") and Digi (collectively, "the Merger"). On 30 November 2022, the Merger completed as disclosed in Part A, Note 12(n) of this announcement. Accordingly, Celcom and its subsidiaries ("Celcom Group") ceased to be subsidiaries of the Group and the financial results of Celcom Group had been classified as discontinued operations.

The Group recognised a gain on disposal of a group of subsidiaries (net of transaction costs) amounting to RM13,472.1 million during the current quarter and financial year to date. The comparative figures in the statement of comprehensive income have been re-presented as discontinued operations.

The analysis of the profit and loss by continuing and discontinued operations is disclosed in Part B, Note 13 of this announcement.



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4. Significant Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (continued)

The Group's performance has taken into account the following: (continued)

- (f) The Group has performed an annual impairment assessment on its goodwill under MFRS 136 "Impairment of Assets" and impaired the goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,145.5 million during the current quarter and financial year to date.
- (g) During the current quarter and financial year to date, the Group recognised net foreign exchange gains of RM314.7 million and losses of RM985.0 million respectively, mainly arising from the revaluation of USD borrowings and working capital.

Other than the above and as disclosed in Part A, Note 12 of this announcement, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial year ended 31 December 2022.



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5. Estimates

The preparation of unaudited financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial year to date.

In preparing the unaudited financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied to 2021 Audited Financial Statements.

6. Issues, Repurchases and Repayments of Debt and Equity Securities

- (a) During the financial year to date, the Company issued new ordinary shares under the Performance Based Long Term Incentive Plan as below:

Description	Total ordinary shares of the Company issued	
	'000	RM'000
• Restricted Share Plan ("RSP") at an issuance price of RM3.07 to RM4.11 being the fair value of RSP issued	2,250	9,065
Total	2,250	9,065

- (b) During the financial year to date, XL had:
- (i) fully repaid its IDR110.0 billion (RM32.0 million) Sukuk Ijarah II Tranche II Year 2019 Series B which matured on 8 February 2022, carried an annual fixed Ijarah return of IDR9,515.0 million (payable on quarterly basis) and had a tenure of three (3) years from the date of issuance;
 - (ii) fully repaid its IDR191.0 billion (RM55.6 million) Bond I Tranche II Year 2019 Series B which matured on 8 February 2022, carried an annual fixed interest rate of 8.65% (payable on quarterly basis) and had a tenure of three (3) years from the date of issuance;
 - (iii) fully repaid its IDR142.0 billion (RM42.0 million) Sukuk Ijarah I Tranche II Year 2017 Series C which matured on 28 April 2022, carried an annual fixed Ijarah return of IDR12,425.0 million (payable on quarterly basis) and had a tenure of five (5) years from the date of issuance;
 - (iv) fully repaid its IDR425.0 billion (RM120.0 million) Sukuk Ijarah I Tranche I Year 2015 Series D which matured on 2 December 2022, carried an annual fixed Ijarah return of IDR46,750.0 million (payable on quarterly basis) and had a tenure of seven (7) years from the date of issuance;



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6. Issues, Repurchases and Repayments of Debt and Equity Securities (continued)

(b) During the financial year to date, XL had: (continued)

- (v) issued a series of Sukuk Ijarah namely Shelf Sukuk Ijarah III XL Axiata Tranche I Year 2022 (“Sukuk Ijarah III, Tranche I”) with maturity period between three (3) to ten (10) years on 1 September 2022 and was registered on Indonesia Stock Exchange (“IDX”) on 2 September 2022.

The details of Sukuk Ijarah III, Tranche I are as follows:

	Annual fixed Ijarah return ¹	<u>Maturity date</u>	<u>Nominal value</u>	
	IDR'million		IDR'million	RM'million
Series A	45,962	1 Sep 2025	680,915	207.7
Series B	31,176	1 Sep 2027	421,300	128.5
Series C	10,676	1 Sep 2029	135,135	41.2
Series D	21,669	1 Sep 2032	262,650	80.1
			1,500,000	457.5

¹payable on quarterly basis

- (vi) issued a series of bonds namely Shelf Bond II Tranche I Year 2022 (“Bond II, Tranche I”) with maturity period between three (3) to ten (10) years on 1 September 2022 and was registered on IDX on 2 September 2022.

The details of Bond II, Tranche I are as follows:

	Annual fixed interest rate ¹	<u>Maturity date</u>	<u>Nominal value</u>	
	%		IDR'million	RM'million
Series A	6.75	1 Sep 2025	735,225	224.2
Series B	7.40	1 Sep 2027	411,855	125.6
Series C	7.90	1 Sep 2029	177,915	54.3
Series D	8.25	1 Sep 2032	175,005	53.4
			1,500,000	457.5

¹payable on quarterly basis

- (c) Axiata Digital Capital Sdn Bhd, a subsidiary of the Company had on 18 February 2022 established an asset-backed medium term notes programme (“MTN Programme”) via Salvare Assets Berhad (“Salvare”) involving issuance up to RM300.0 million.

On 31 March 2022, Salvare issued RM39.0 million Class A Senior Notes (“Notes”) pursuant to the MTN Programme. The Notes, which was issued at par, carries a coupon rate of 7.20% p.a. (payable quarterly in arrears) and has a tenure of thirty (30) months from the date of issuance, maturing on 30 September 2024.



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6. Issues, Repurchases and Repayments of Debt and Equity Securities (continued)

- (d) During the financial year to date, EDOTCO via its subsidiary edotco Malaysia Sdn Bhd (“edotco Malaysia”) established an Islamic medium-term note programme of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”). On 9 September 2022, edotco Malaysia has successfully issued RM1.4 billion series of Sukuk at par with maturity period between three (3) to ten (10) years.

The details of the Sukuk are as follows:

	<u>Annual fixed interest rate¹</u> %	<u>Maturity date</u>	<u>Nominal value</u> RM'million
Sukuk T1	3.93	9 Sep 2025	100.0
Sukuk T2	4.27	9 Sep 2027	600.0
Sukuk T3	4.44	7 Sep 2029	300.0
Sukuk T4	4.54	9 Sep 2032	400.0
			1,400.0

¹payable semi-annually

Aside from the above, there was no other significant issues, repurchases and repayments of debt and equity securities during the financial year ended 31 December 2022.

7. Dividends Paid

- (a) The Company declared and paid the dividends during the financial year as below:

Date of payment	Description	Per ordinary share	Total
28 March 2022	Tax exempt dividend under single tier in respect of financial year ended 31 December 2021	Sen 5.5	RM'000 504,724

- (b) The Board of Directors declared:

- (i) a tax exempt dividend under single tier system of 5.0 sen per ordinary share of the Company for the financial year ending 31 December 2022 on 25 November 2022. The Company has accrued a total dividend of RM458.9 million during the current quarter and financial year to date; and
- (ii) a special tax exempt dividend under single tier system of 4.0 sen per ordinary share of the Company for the financial year ending 31 December 2022 on 6 December 2022. The Company has accrued a total dividend of RM367.1 million during the current quarter and financial year to date.

The dividends above were subsequently paid by the Company on 20 January 2023.



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8. Segmental Information

The Group has completed the acquisition of Link Net on 22 June 2022 where its core business is fixed broadband in Indonesia. Accordingly, the management has introduced and presented a new segment under Segmental Information, Fixed Broadband segment which has a consolidation of Link Net's financial results effective from 1 July 2022.

For the financial year ended 31 December 2022

Segment	Mobile					Fixed BB ¹	Infrastructure	Others ²	Consolidation adjustments/ eliminations	Continuing Operations	Discontinued Operations (Malaysia)	Total
	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Indonesia						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	8,626,030	4,053,610	2,515,741	1,390,099	1,642,593	669,299	2,481,188	1,366,720	-	22,745,280	6,385,266	29,130,546
Inter-segment ³	(264)	(85,551)	(8,273)	(2,456)	(31,852)	(30)	(637,761)	(253,358)	-	(1,019,545)	(589,347)	(1,608,892)
External operating revenue	8,625,766	3,968,059	2,507,468	1,387,643	1,610,741	669,269	1,843,427	1,113,362	-	21,725,735	5,795,919	27,521,654
Earnings before interest, tax, depreciation and amortisation ("EBITDA") ⁴	4,219,018	1,804,990	727,754	736,737	827,859	307,572	1,647,214	(347,052)	(327,447)	9,596,645	2,837,042	12,433,687
Finance income	33,068	3,784	33,857	20,453	21,365	391	28,694	232,496	(118,834)	255,274	(16,962)	238,312
Finance cost	(830,507)	(280,328)	(74,991)	(110,644)	(30,638)	(37,974)	(293,653)	(545,214)	376,934	(1,827,015)	(125,172)	(1,952,187)
Depreciation of PPE	(1,766,865)	(699,874)	(411,943)	(263,590)	(287,280)	(190,363)	(548,284)	(12,000)	25,779	(4,154,420)	(752,236)	(4,906,656)
Depreciation of ROU assets	(1,345,661)	(161,096)	(27,050)	(17,876)	(64,639)	(26,063)	(284,863)	(15,458)	207,816	(1,734,890)	(167,838)	(1,902,728)
Amortisation of IA	(2,240)	(278,007)	(51,085)	(134,835)	(13,815)	(9,958)	(70,623)	(49,368)	(317,712)	(927,643)	(60,176)	(987,819)
Joint ventures:												
- share of results (net of tax)	-	-	-	-	-	-	-	(9,709)	-	(9,709)	-	(9,709)
Associates:												
- share of results (net of tax)	1,136	-	(1,103)	-	(15,768)	-	-	3,043	(44,125)	(56,817)	15,714	(41,103)
Impairment of PPE (net of reversal)	(1,909)	(42,762)	(44,116)	-	-	(3,745)	(30,132)	(2,645)	-	(125,309)	-	(125,309)
Impairment of goodwill	-	-	(66,948)	-	-	-	-	-	(4,078,596)	(4,145,544)	-	(4,145,544)
Other income/(expense) ⁵	105,901	(209,552)	(516,650)	19,016	(85,075)	(3,657)	(43,007)	(301,493)	(84,347)	(1,118,864)	13,612,657	12,493,793
Taxation	(70,968)	(50,890)	(92,165)	(68,991)	(116,895)	(8,747)	(213,978)	(55,828)	63,796	(614,666)	(446,740)	(1,061,406)
Segment profit/(loss) for the financial year	340,973	86,265	(524,440)	180,270	235,114	27,456	191,368	(1,103,228)	(4,296,736)	(4,862,958)	14,896,289	10,033,331



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8. Segmental Information (continued)

For the financial year ended 31 December 2021

Segment	Mobile					Infrastructure	Others ²	Consolidation adjustments/eliminations	Continuing Operations	Discontinued Operations (Malaysia)	Total
	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	7,758,675	3,955,039	2,953,532	1,449,095	1,448,542	1,978,663	1,366,476	-	20,910,022	6,622,722	27,532,744
Inter-segment ³	(3,547)	(96,991)	(30,155)	(11,310)	(28,212)	(587,145)	(158,294)	-	(915,654)	(716,429)	(1,632,083)
External operating revenue	7,755,128	3,858,048	2,923,377	1,437,785	1,420,330	1,391,518	1,208,182	-	19,994,368	5,906,293	25,900,661
EBITDA ⁴	3,889,711	1,592,997	1,223,195	841,529	774,663	1,238,069	(407,517)	(250,388)	8,902,259	2,501,758	11,404,017
Finance income	25,437	4,522	9,502	10,666	11,492	22,738	103,858	(8,531)	179,684	(28,702)	150,982
Finance cost	(700,821)	(199,658)	(45,184)	(92,812)	(28,787)	(109,732)	(374,623)	140,169	(1,411,448)	(153,621)	(1,565,069)
Depreciation of PPE	(1,707,965)	(709,356)	(492,633)	(272,646)	(260,263)	(398,492)	(13,836)	21,219	(3,833,972)	(1,201,112)	(5,035,084)
Depreciation of ROU assets	(1,163,948)	(156,864)	(47,583)	(18,573)	(58,580)	(234,288)	(14,482)	188,137	(1,506,181)	(173,479)	(1,679,660)
Amortisation of IA	-	(295,535)	(77,742)	(130,975)	(12,923)	(32,469)	(36,541)	(213,227)	(799,412)	(61,850)	(861,262)
Joint venture:											
- share of results (net of tax)	-	-	-	-	-	-	(4,091)	(3,615)	(7,706)	-	(7,706)
Associates:											
- share of results (net of tax)	2,497	-	(599)	-	(1,095)	-	(2,466)	-	(1,663)	13,352	11,689
Impairment of PPE (net of reversal)	(7,682)	4,384	(2,737)	-	(6,224)	6,593	(6,091)	-	(11,757)	-	(11,757)
Impairment of goodwill	-	-	(1,585)	-	-	-	-	(338,444)	(340,029)	-	(340,029)
Other income/(expense) ⁵	199,907	(63,898)	(168,109)	14,229	(33,294)	(174)	(125,079)	(42,132)	(218,550)	326,047	107,497
Taxation	(130,952)	(88,997)	(42,331)	(108,522)	(86,174)	(199,558)	(23,579)	36,423	(643,690)	(253,047)	(896,737)
Segment profit/(loss) for the financial year	406,184	87,595	354,194	242,896	298,815	292,687	(904,447)	(470,389)	307,535	969,346	1,276,881

¹ Fixed broadband

² Others include the Company, digital businesses, special purpose vehicles and other entities.

³ Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

⁴ EBITDA consolidation adjustments/eliminations mainly due to inter-segment elimination for leases under MFRS 16.

⁵ Included in other expense is unrealised foreign exchange losses mainly arising from the revaluation of USD borrowings and working capital.



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9. Valuation of PPE

The Group does not adopt a revaluation policy on its PPE.

10. Acquisitions of PPE

During the financial year to date, the Group acquired additional PPE amounting to RM9,459.4 million mainly for its telecommunication network equipment and capital work in progress. Included in the additional PPE is a universal service provision assets of a subsidiary amounting to RM234.4 million and acquisition of telecommunication towers by a subsidiary amounting to RM2,677.4 million (including the capitalisation of asset retirement obligation provision and transaction costs).

11. Events after the Interim Period

(a) Acquisition of Equity Interest in Axiata Digital Bangladesh (Private) Limited (“ADB”) by Axiata Digital & Analytics Sdn Bhd (“ADA”)

ADA, a subsidiary of Axiata Digital Services Sdn Bhd (“ADSSB”) which in turn is a subsidiary of the Company, had on 30 January 2023, completed the acquisition of 2,524,873 ordinary shares, representing 99.99% of the share capital of ADB from ADSSB at a purchase consideration of BDT241.1 million (approximately RM9.7 million).

Other than the above and as disclosed in Part A, Note 4(c)(iv) and Part B, Note 10 of this announcement, there was no other significant event after interim period that requires disclosure and/or adjustment as at 16 February 2023.



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12. Effects of Changes in the Composition of the Group

(a) Accretion of Equity Interest in Dialog Axiata Digital Innovation Fund (Private) Limited (“DADIF”)

DADIF, a subsidiary of Digital Holdings Lanka (Private) Limited (“DHL”) which in turn an indirect subsidiary of the Company via Dialog had:

- (i) from 1 January to 31 March 2022 (“Q1’22”), issued 30,754 preference shares out of which 30,276 were issued to DHL and the remaining shares were issued to an individual shareholder;
- (ii) from 1 April to 30 June 2022 (“Q2’22”), issued 140,663 preference shares out of which 139,026 were issued to DHL and the remaining shares were issued to an individual shareholder;
- (iii) from 1 July to 30 September 2022 (“Q3’22”), issued 74,347 preference shares out of which 74,300 were issued to DHL and the remaining shares were issued to an individual shareholder; and
- (iv) From 1 October to 31 December 2022 (“Q4’22”), issued 61,791 preference shares out of which 58,821 were issued to DHL and the remaining shares were issued to individual shareholders.

Accordingly, DHL’s equity interest in DADIF increased from 89.04% to 89.67% in Q1’22, from 89.67% to 91.83% in Q2’22, from 91.83% to 92.72% in Q3’22 and in Q4’22 from 92.72% to 92.93%.

The accretions above did not have material impact to the Group during the current quarter and financial year to date.

(b) Accretion of Equity Interest in edotco Towers

EDOTCO via its wholly owned subsidiary, edotco Investments (Labuan) Limited (“EIL”) had on 13 April 2022 completed the subscription of 250,000,000 common shares of PHP1.00 each representing 49.00% of the issued and paid-up share capital of edotco Towers for a cash consideration of PHP1.4 billion (RM113.6 million). Accordingly, EIL’s equity interest in edotco Towers increased from 51.00% to 100.00%.

The accretion above did not have material impact to the Group during the financial year to date.

(c) Accretion of Equity Interest in Headstart Private Limited (“Headstart”)

Headstart, a subsidiary of DHL which in turn an indirect subsidiary of the Company via Dialog Axiata Plc (“Dialog”), issued 608 ordinary shares to DHL on 24 May 2022 pursuant to the conversion of a loan granted by Dialog to Headstart to equity. Accordingly, DHL’s equity interest in Headstart increased from 50.59% to 62.01%.

The accretion above did not have material impact to the Group during the financial year to date.



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12. Effects of Changes in the Composition of the Group (continued)

(d) Acquisition of Equity Interest in Hypernet

On 2 June 2022, XL completed the acquisition of 2,805 ordinary shares in Hypernet representing 51.00% of the issued and paid-up share capital of Hypernet for a cash consideration of IDR335.3 billion (RM100.9 million). Effectively, Hypernet became a subsidiary of the Group.

The impact of the acquisition is disclosed in Part A, Note 4(a) of this announcement.

(e) Acquisition of Equity Interest in Link Net

On 27 January 2022, All and XL signed a conditional share purchase agreement to jointly acquire an aggregate 1,816,735,484 ordinary shares representing 66.03% equity interest in Link Net from Asia Link Dewa Pte Ltd and PT First Media Tbk at IDR4,800 per ordinary share in Link Net for a total consideration of IDR8,720.3 billion (RM2.6 billion). The acquisition was completed on 22 June 2022 and Link Net became a subsidiary of the Group.

The impact of the acquisition is disclosed in Part A, Note 4(b) of this announcement.

(f) Dilution of Equity Interest in PT Princeton Digital Group Data Centers (“PDGDC”)

On 4 August 2022, XL’s equity interest in PDGDC decreased from 30.00% to 14.82% following to the issuance of new ordinary shares by PDGDC which were wholly acquired by Princeton Digital Group (Indonesia Alpha) Pte Ltd.

The dilution above did not have material impact to the Group during the financial year to date.

(g) Acquisition of Equity Interest in Boost Biz Sdn Bhd (formerly known as ADS Digital Ventures Sdn Bhd) (“Boost Biz”) by Boost Holdings Sdn Bhd (“BHSB”)

BHSB, a subsidiary of ADSSB which in turn is a subsidiary of the Company, had on 9 August 2022, completed the acquisition of 100 ordinary shares, representing the entire share capital of Boost Biz from ADSSB at a purchase consideration of RM1,000.

The acquisition above did not have material impact to the Group during the financial year to date.

(h) Accretion of Equity Interest in ADSSB

ADSSB, a subsidiary of the Company, issued an additional 166,386 ordinary shares to the Company on 30 September 2022 by way of conversion of the shareholder loan made by the Company to ADSSB to equity. Accordingly, the Company’s equity interest in ADSSB increased from 96.47% to 96.56%.

The accretion above did not have material impact to the Group during the financial year to date.

(i) Dilution of Equity Interest in Dialog

On 30 September 2022, the Group’s equity interest in Dialog decreased from 82.74% to 82.27% following the issuance of new ordinary shares by Dialog to its eligible employees under Dialog’s Performance-Based Long-Term Incentive Plan.

The dilution above did not have material impact to the Group during the financial year to date.



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12. Effects of Changes in the Composition of the Group (continued)

(j) Mandatory Tender Offer (“MTO”) of Link Net

In conjunction with the acquisition of Link Net as disclosed in Part A, Note 4(b) of this announcement, All was obligated to conduct a tender offer by buying 934,845,500 ordinary shares of Link Net. The MTO ran from 30 August 2022 to 28 September 2022. On 6 October 2022, All completed the MTO for a total 921,503,429 ordinary shares of Link Net. As a result, All and XL, collectively hold an equity interest of 99.52% in Link Net.

The Group recognised an increase in consolidated currency translation differences of RM14.8 million, consolidated actuarial reserve of RM4.8 million and decrease of RM693.7 million and RM675.0 million in consolidated retained earnings and non-controlling interest, respectively.

(k) Incorporation of Smart Pay Limited (“Smart Pay”)

Robi Axiata Limited (“Robi”), a subsidiary of the Company, had on 3 October 2022 completed the incorporation of Smart Pay (Registration No C-184259/2022), a private company limited by shares, under the Bangladesh Companies Act 1994.

Smart Pay was incorporated with an issued and paid-up share capital of BDT200.0 million (RM9.2 million). The principal activity of Smart Pay is to establish and run a fintech-driven electronic payments and other related services for customers.

The incorporation above did not have material impact to the Group during the current quarter and financial year to date.

(l) Acquisition of Equity Interest in Headstart by DADIF

DADIF, a subsidiary of DHL which in turn an indirect subsidiary of the Company via Dialog, had on 7 October 2022, completed the acquisition of 1,000 ordinary shares representing 37.99% of the issued share capital of Headstart from R.A.C. Human Capital (Private) Limited, Hasitha Dela and Kanishka Senadheera (collectively known as “Existing Shareholders”) at a purchase consideration of SLR51.1 million (RM0.6 million).

The accretion above did not have material impact to the Group during the current quarter and financial year to date.

(m) Accretion of Equity Interest in PT Creative Mobile Adventure (“CMA”)

CMA, a subsidiary of BHSB, which in turn is an indirect subsidiary of the Company held through ADSSB, issued an additional 2,250 Series B shares to BHSB on 19 October 2022 by way of conversion of inter-company advances made by BHSB to CMA to equity. Accordingly, the Company’s effective equity interest in CMA increased from 51.86% to 57.47%.

The acquisition above did not have material impact to the Group during the current quarter and financial year to date.



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12. Effects of Changes in the Composition of the Group (continued)

(n) Merger between Celcom and Digi

On 30 November 2022, the Company and Digi completed the merger between Celcom and Digi. Pursuant to the Merger, Celcom and Digi were merged by way of a transfer of the Company's entire equity interest in Celcom to Digi, where the Company received:

- (i) the Consideration Shares, comprising 3,883,129,144 new Digi Shares representing 33.10% of the enlarged issued Digi Shares issued by Digi, valued at RM15,532.5 million to the Company, being an investment in an associate of the Group and the Company;
- (ii) the Digi Cash Consideration (subject to finalisation of closing adjustments), comprising cash consideration of RM2,468.9 million from Digi; and
- (iii) the Relevant Digi Shares Cash Consideration of RM297.9 million from Telenor Asia Pte Ltd ("Telenor Asia") as consideration for the Equalisation. In consideration of the receipt of the Relevant Digi Shares Cash Consideration by the Company pursuant to the Equalisation, Digi issued 73,378,844 new Digi Shares representing 0.63% of the enlarged issued share capital of Digi to Telenor Asia. Upon completion of the Equalisation, Telenor Asia and the Company have equal shareholding of 33.10% in Digi.

Effectively, Celcom and its subsidiaries, associate and joint venture ("Celcom Group") ceased to be part of the Group. The list of subsidiaries, associates and joint ventures of Celcom (direct and indirect) is as below:

Subsidiaries

- Celcom Mobile Sdn Bhd
- Celcom Networks Sdn Bhd
- Celcom Properties Sdn Bhd
- Escape Axiata Sdn Bhd
- Celcom Retail Holding Sdn Bhd
- Celcom Intelligence Sdn Bhd
- Celcom Timur (Sabah) Sdn Bhd
- Celcom eCommerce Sdn Bhd
- Celcom Resources Sdn Bhd
- Celcom Trading Sdn Bhd
- Celcom Retail Sdn Bhd
- Bridgenet Solutions Sdn Bhd
- Infront Consulting Group (M) Sdn Bhd
- Infront Consulting Group (S) Pte Ltd

Associate

- Sacofa Sdn Bhd

Joint venture

- Tune Talk Sdn Bhd



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12. Effects of Changes in the Composition of the Group (continued)

(o) Members' Voluntary Winding Up of Axiata Investments 2 (India) Limited ("AI2")

AI2, a wholly owned subsidiary of the Company via Axiata Investments 1 (India) Limited, had on 17 November 2022, commenced the members' voluntary winding up pursuant to the Companies Act 2001 of Mauritius. In relation thereto, Andrew Stephenson, Insolvency Practitioner of A3 Trochetia, Avenue Ylang Ylang, Quatre Bornes, Republic of Mauritius was appointed as the liquidator for AI2.

Barring any unforeseen circumstances, the winding up process is expected to be completed between six (6) to nine (9) months from the date of appointment of the liquidator.

The winding up above did not have material impact to the Group during the current quarter and financial year to date.

(p) Accretion of Equity Interest in XL

On 20 December 2022, the Group's equity interest in XL increased from 61.48% to 66.17% following to the subscription of XL's rights issue with Pre-emptive Rights issued of 1,477,929,593 new shares with a nominal value of IDR100 and exercise price of IDR2,080 per share.

Subsequently, on 30 December 2022, the Group's equity interest in XL increased from 66.17% to 66.53% following to the subscription of XL's rights issue with implementation of obligation as a standby buyer in the limited public offering process of 659,986,906 new shares with a nominal value of IDR100 and exercise price of IDR2,080 per share.

The Group recognised a decrease in consolidated currency translation differences of RM66.8 million and increase of RM1.9 million, RM26.9 million and RM174.9 million in consolidated actuarial reserve, consolidated retained earnings and non-controlling interest, respectively.

(q) Accretion of Equity Interest in Link Net

Following the accretion of equity interest in XL as mentioned in Part A, Note 12(p) of this announcement above, the Group's effective shareholding in Link Net increased from 91.82% to 92.83%.

The accretion above did not have material impact to the Group during the current quarter and financial year to date.

Other than the above, there was no other change in the composition of the Group for the financial year ended 31 December 2022.



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13. Significant Changes in Contingent Assets or Contingent Liabilities

The following is the material change in the Group's contingent liabilities since the last disclosed in the 2021 Audited Financial Statements and other than as disclosed in Part B, Note 10 of this announcement:

(a) Robi Tax Position

Robi received favourable outcome on its appeal from the National Board of Revenue of Bangladesh on certain disputed items in its tax provision computations for FY 2015 and FY 2017. In addition, an assessment order was also received for Robi's provisional tax computation for FY 2018. Consequently, Robi's potential exposure increased from BDT2,907.0 million (RM124.1 million) to BDT3,195.3 million (RM136.4 million).

Given that the remaining disputed items are consistent with prior year, based on the external legal advice received in the past, the Board of Directors are of the view that Robi has good prospects of succeeding on the remaining claims.

(b) Robi vs Bangladesh Telecommunication Regulatory Commission ("BTRC") - Information System Audit ("IS Audit")

On 10 January 2023, the Honourable Appellate Division of Supreme Court of Bangladesh announced verbal judgement on the 2G spectrum fees and licence fees that allows the appeal filed by BTRC to obtain 100% of the invoiced fee without deducting 15% value added tax. Similar claim is included in one of the item from the IS Audit's demand notice issued against Robi on 31 July 2018 amounting to BDT1,412.1 million (RM60.3 million). Robi recognised the provision following to the verbal judgement and consequently, Robi's potential exposure for IS Audit decreased from BDT8,672.4 million (RM370.3 million) to BDT7,260.3 million (RM310.0 million).

Given that the remaining disputed items are consistent with prior year, based on the external legal advice received in the past, the Board of Directors are of the view that Robi has good prospects of succeeding on the remaining claims.

14. Capital Commitments

As at	Group	
	31 December 2022	31 December 2021*
	RM'000	RM'000
PPE		
Commitments in respect of expenditure approved and contracted for	2,808,160	3,797,885

* Includes Celcom Group's capital commitments of RM829.6 million as at 31 December 2021.



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15. Related Party Transactions

All related party transactions are entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of MFRS 124 “Related Party Disclosure”.

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group. The Government of Malaysia has significant influence over the Group. The Group enters into transactions with many of these bodies, which includes but is not limited to:

- receiving telecommunications services, including interconnection revenue/charges
- purchasing of goods, including use of public utilities and amenities, and
- placing of bank deposits

The Group has established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

The Group provides telecommunications services as part of its ordinary operations. The Group has collectively, but not individually significant transactions with Government-related entities. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

Set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

	Financial Year Ended	
	31 December 2022	31 December 2021
	RM'000	RM'000
<u>Continuing operations:</u>		
Sale of telecommunication services to associates	57,066	1,519
Purchase of network related services from associates	(46,975)	(33,919)
<u>Discontinued operations:</u>		
Sale of telecommunication services to joint ventures	184,866	281,726
Purchase of network related services from associates	(95,524)	(88,135)
Revenue sharing with a joint venture	(409)	(1,163)

	31 December 2022	31 December 2021
Receivables from joint ventures	-	21,853
Receivables from associates	134,333	4,262
Payable to associates	(22,746)	(6,107)
Lease payable to associates	(112,063)	(123,316)



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16. Financial Instruments at Fair Value Measurements

The Group's financial instruments that were measured at fair value as at reporting date were as follow:

- Derivative financial instruments (assets and liabilities); and
- Securities

The Group measured the financial instruments based on:

- Level 1 (traded in active markets): Quoted market prices
- Level 2 (not traded in active markets): Valuation techniques such as quoted market prices or dealer quotes for similar instruments, present value of the estimated future cash flows based on observable market curves and forward exchange rates at reporting date with the resulting value discounted back to present value
- Level 3 (unobservable inputs): underlying assets' significant inputs are not available from observable market data

The Group's financial instruments were grouped as below:

Financial instruments	31 December 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Financial assets at FVTPL:								
-Trading securities	34	-	-	34	65	-	-	65
-Unquoted securities	-	-	5,758	5,758	-	-	5,678	5,678
-Non-hedging derivatives ²	-	2,312	-	2,312	-	45,653	-	45,653
-Derivative used for hedging	-	24,821	-	24,821	-	31,285	-	31,285
Financial assets at FVTOCI ¹ :								
-Equity securities	-	-	178,924	178,924	-	-	220,744	220,744
Liabilities								
Financial liabilities at FVTPL:								
-Derivatives used for hedging	-	(225,095)	-	(225,095)	-	(111,659)	-	(111,659)
Total	34	(197,962)	184,682	(13,246)	65	(34,721)	226,422	191,766

¹ Fair value of these instruments are obtained mainly from independent valuations.

² Includes Celcom Group's financial instruments of RM43.3 million as at 31 December 2021.



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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA SECURITIES**

1. Review of Performance

(a) Quarter-on-Quarter (Q4'22 vs Q4'21)

	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	
	31/12/2022	31/12/2021		
	RM'million	RM'million	RM'million	%
Continuing operations				
Revenue	5,834.9	5,336.5	498.4	9.3
EBITDA	2,548.2	2,321.9	226.3	9.8
EBIT ¹	(3,596.1)	347.2	(3,943.3)	->100
PAT ²	(3,926.0)	(234.5)	(3,691.5)	->100
PAT (Excluding impairment of goodwill)	219.5	103.9	115.6	>100
PATAMI ³	(4,019.3)	(326.5)	(3,692.8)	->100
PATAMI (Excluding impairment of goodwill)	114.6	11.9	102.7	>100
Discontinued operations				
PAT	13,988.4	446.0	13,542.4	>100
PATAMI	13,986.7	442.5	13,544.2	>100
Total⁴				
PAT	10,062.4	211.5	9,850.9	>100
PATAMI	9,967.4	116.0	9,851.4	>100

¹ EBIT : Earnings before interest and tax

² PAT : Profit after tax

³ PATAMI : Profit after tax and minority interest

⁴ Total : Continued operations + Discontinued operations

Group Performance

Compared to the preceding year's corresponding quarter (Q4'22 vs Q4'21), Group revenue for **continuing operations** grew by 9.3% to RM5,834.9 million. Consequently, Group EBITDA grew by 9.8% to RM2,548.2 million. Group EBIT fell significantly by more than 100% to a loss of RM3,596.1 million, mainly impacted by impairment of goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,145.5 million (PATAMI: RM4,133.9 million), as opposed to impairment of goodwill of mobile operations in Nepal amounting to RM338.4 million in Q4'21. Excluding the impairment of goodwill from both Q4'22 and Q4'21, EBIT would have decreased by 19.9%. At constant currency of Q4'21, revenue, EBITDA would have increased by 18.3% and 15.0% respectively, while EBIT would have decreased by more than 100%.



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1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q4'22 vs Q4'21) (continued)

Group Performance (continued)

Group PAT and PATAMI for **continuing operations** both decreased by more than 100% to a loss of RM3,926.0 million and a loss of RM4,019.3 million respectively. Excluding the impairment of goodwill from both Q4'22 and Q4'21, Group PAT and PATAMI would have increased by RM115.6 million and RM102.7 million respectively, mainly due to higher foreign exchange gains and lower taxes, partially offset by higher depreciation and amortisation and finance costs.

Following the completion of the merger between Celcom and Digi on 30 November 2022, the Group's share of the financial results of Digi is recorded under continuing operations from 1 December 2022 onwards, while Celcom's financial results prior to 1 December 2022 is presented as discontinued operations. PAT and PATAMI contribution from **discontinued operations** both increased by more than 100% to RM13,988.4 million and RM13,986.7 million respectively, mainly driven by the one-off net gain on disposal of Celcom amounting to RM13,472.1 million.

Geographical Highlights

- **Indonesia:** Revenue increased by 8.6% to RM2,212.2 million, mainly due to higher prepaid data revenue and higher device sales. EBITDA grew by 12.7% to RM1,131.8 million. PAT fell by 59.7% to RM37.5 million, impacted by higher depreciation and amortisation, foreign exchange losses and higher finance costs, partially cushioned by higher top lines and lower taxes.
- **Bangladesh:** Revenue grew by 1.3% to RM1,007.8 million, mainly driven by higher revenue from prepaid business. EBITDA increased by 25.7% to RM473.2 million, flow through from higher revenue and lower operating costs. PAT grew by more than 100% to RM58.9 million, mainly due to higher top lines, lower depreciation and amortisation, foreign exchange gains from USD denominated loans and working capital as opposed to foreign exchange losses in Q4'21 and lower taxes, partially offset by higher finance costs.
- **Sri Lanka:** Revenue fell by 15.3% to RM649.7 million, mainly due to depreciation of the Sri Lankan Rupee ("SLR") against Ringgit Malaysia ("RM") resulting from the current macroeconomic crisis in Sri Lanka. At constant currency of Q4'21, revenue grew by 37.2%, driven by growth in hubbing business and higher data revenue. EBITDA (in RM) fell by 62.4% to RM118.8 million, flow through from lower revenue and higher operating costs. PAT declined by more than 100% to a loss of RM100.0 million, mainly due to lower top lines and impairment of goodwill and assets of RM110.4 million, partially cushioned by foreign exchange gains.
- **Nepal:** Revenue fell by 6.9% to RM339.2 million due to lower prepaid voice revenue impacted by downward revision in interconnect rate since January 2022. EBITDA declined by 9.8% to RM185.7 million, flow through from lower revenue. PAT declined by 46.0% to RM33.6 million, impacted by lower top lines, higher finance costs and foreign exchange losses, partially cushioned by lower taxes.



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1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q4'22 vs Q4'21) (continued)

Group Performance (Continued)

- **Cambodia:** Revenue increased by 8.8% to RM422.8 million, driven by higher data revenue from growth in prepaid business. EBITDA grew by 17.5% to RM234.1 million. PAT increased by 21.3% to RM95.2 million, resulting from higher top lines, partially offset by higher depreciation and amortisation and foreign exchange losses.
- **Fixed Broadband (Indonesia):** The acquisition of Link Net was completed in June'22, with financial results consolidated from Q3'22 onwards. Contribution of revenue, EBITDA and PAT for Q4'22 are RM348.4 million, RM133.7 million, and a loss of RM3.8 million respectively.
- **Infrastructure:** Revenue increased by 27.3% to RM676.2 million from organic growth mainly from Bangladesh and contribution from new acquisition of towers. EBITDA grew by 10.8% to RM382.4 million, mainly flow through from higher revenue, partially offset by higher operating costs. PAT declined by 13.9% to RM55.3 million, impacted by higher depreciation and amortisation and finance costs, partially cushioned by higher top lines, foreign exchange gains from USD denominated loans and working capital, and lower taxes.



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1. Review of Performance (continued)

(b) Year-on-Year (FY'22 vs FY'21)

	Current Year to Date	Immediate Preceding Year	Variance	
	31/12/2022	31/12/2021		
	RM'million	RM'million	RM'million	%
Continuing operations				
Revenue	21,725.7	19,994.4	1,731.3	8.7
EBITDA	9,596.6	8,902.3	694.3	7.8
EBIT	(1,619.8)	2,244.4	(3,864.2)	->100
PAT	(4,863.0)	307.5	(5,170.5)	->100
PAT (Excluding impairment of goodwill)	(717.4)	647.6	(1,365.0)	->100
PATAMI	(5,117.6)	(136.9)	(4,980.7)	->100
PATAMI (Excluding impairment of goodwill)	(983.7)	202.8	(1,186.5)	->100
Discontinued operations				
PAT	14,896.3	969.3	13,927.0	>100
PATAMI	14,883.2	955.8	13,927.4	>100
Total				
PAT	10,033.3	1,276.9	8,756.4	>100
PATAMI	9,765.6	818.9	8,946.7	>100

Group Performance

The Group's **continuing operations** recorded a total revenue of RM21,725.7 million for FY'22, representing an 8.7% increase compared to the immediate preceding year. Consequently, Group EBITDA increased by 7.8% to RM9,596.6 million with growth across all Operating Companies ("OpCos") except mobile operations in Sri Lanka and Nepal. Group EBIT decreased by more than 100% to a loss of RM1,619.8 million, mainly impacted by impairment of goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,145.5 million (PATAMI: RM4,133.9 million), as opposed to impairment of goodwill of RM340.0 million (PATAMI: RM339.8 million) mainly relating to mobile operations in Nepal in FY'21. Excluding the impairment of goodwill from both FY'22 and FY'21, EBIT would have decreased by 2.3%. At constant currency of FY'21, revenue and EBITDA would have increased by 13.9% and 10.8% respectively, while EBIT would have decreased by more than 100%.



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1. Review of Performance (continued)

(b) Year-on-Year (FY'22 vs FY'21) (continued)

Group Performance (continued)

Group PAT and PATAMI for **continuing operations** both decreased by more than 100% to a loss of RM4,863.0 million and a loss of RM5,117.6 million respectively. Excluding the impairment of goodwill from both FY'22 and FY'21, Group PAT and PATAMI would have decreased by RM1,365.0 million and RM1,186.5 million respectively due to significant foreign exchange losses of RM985.0 million (unrealised: RM574.6 million), mainly from USD denominated loans and working capital. In addition, Group PAT and PATAMI were impacted by higher finance costs and one-off additional fees (net of accruals) and penalties charged during the financial year ended 31 December 2022 for the use of microwave equipment in prior years of RM153.6 million, partially cushioned by higher top lines and lower taxes.

Following the completion of the merger between Celcom and Digi on 30 November 2022, The Group's share of the financial results of Digi is recorded under continuing operations from 1 December 2022 onwards, while Celcom's financial results prior to 1 December 2022 is presented as discontinued operations. PAT and PATAMI contribution from **discontinued operations** both increased by more than 100% to RM14,896.3 million and RM14,883.2 million respectively, mainly driven by the one-off net gain on disposal of Celcom amounting to RM13,472.1 million.

Geographical Highlights

- **Indonesia:** Revenue increased by 11.2% to RM8,626.0 million mainly due to higher prepaid data revenue, growth in digital advertising business and higher device sales. Consequently, EBITDA grew by 8.5% to RM4,219.0 million. Despite higher top lines, PAT fell by 16.1% to RM341.0 million, attributed to higher depreciation and amortisation, foreign exchange losses, finance costs and lower one-off gains, partially cushioned by lower taxes. In FY'21, Indonesia recognized a gain on sale of indoor telecommunication infrastructure assets amounting to RM52.2 million, net of tax.
- **Bangladesh:** Revenue rose by 2.5% to RM4,053.6 million, mainly driven by higher revenue from growth in prepaid business. EBITDA grew by 13.3% to RM1,805.0 million, flow through from revenue and lower operating costs. PAT fell by 1.5% to RM86.3 million, impacted by higher depreciation and amortisation, finance costs, and foreign exchange losses from USD denominated loans and working capital, partially cushioned by higher top lines and lower taxes.
- **Sri Lanka:** Revenue fell by 14.8% to RM2,515.7 million, mainly due to depreciation of the SLR against RM resulting from current macroeconomic crisis in Sri Lanka. At constant currency of FY'21, revenue grew by 25.5% due to growth across core revenue segments, particularly hubbing business. EBITDA (in RM) declined by 40.5% to RM727.8 million, flow through from lower revenue and higher operating costs. PAT fell by more than 100% to a net loss of RM524.4 million, mainly due to higher taxes from one-off Surcharge Tax, impairment of goodwill and assets of RM110.4 million, and significant foreign exchange losses of RM427.6 million primarily from USD denominated loans and working capital. Out of the foreign exchange losses, RM202.4 million are unrealised foreign exchange losses.



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1. Review of Performance (continued)

(b) Year-on-Year (FY'22 vs FY'21) (continued)

Geographical Highlights (continued)

- **Nepal:** Revenue fell by 4.1% to RM1,390.1 million mainly due to lower International Long Distance ("ILD") revenue coupled with lower voice revenue impacted by downward revision in interconnect rate since January 2022. EBITDA fell by 12.5% to RM736.7 million, flow through from lower revenue and impacted by higher operating costs. PAT declined by 25.8% to RM180.3 million due to lower top lines, higher depreciation and amortisation and finance costs, partially cushioned by higher foreign exchange gains and lower taxes.
- **Cambodia:** Revenue grew by 13.4% to RM1,642.6 million, primarily due to higher data revenue from growth in prepaid business and one-off revenue from expiry of scratch cards. EBITDA grew by 6.9% to RM827.9 million, driven by higher revenue, partially offset by one-off additional fees (net of accruals) charged during the financial year ended 31 December 2022 for the use of microwave equipment in prior years of RM82.3 million. PAT declined by 21.3% to RM235.1 million mainly due to one-off penalties on the above additional fees of RM71.3 million and higher taxes, partially cushioned by higher top lines. Excluding the said one-off prior years additional fees and penalties, the PAT is RM388.7 million.
- **Fixed Broadband (Indonesia):** The acquisition of Link Net was completed in June'22, with financial results consolidated from Q3'22 onwards. Contribution of Revenue, EBITDA and PAT for FY'22 are RM669.3 million, RM307.6 million and RM27.5 million respectively.
- **Infrastructure:** Revenue increased by 25.4% to RM2,481.2 million from organic growth mainly from Bangladesh and contribution from new acquisition of towers. EBITDA grew by 33.0% to RM1,647.2 million, flow through from higher revenue. Despite higher top lines, PAT fell by 34.6% to RM191.4 million, mainly resulting from higher depreciation and amortisation, unrealised foreign exchange losses in FY'22 from USD denominated loans and working capital as opposed to unrealised foreign exchange gains in FY'21, higher finance costs and taxes.



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1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result (Q4'22 vs Q3'22)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31/12/2022	30/09/2022		
	RM'million	RM'million	RM'million	%
Continuing operations				
Revenue	5,834.9	5,709.3	125.6	2.2
EBITDA	2,548.2	2,472.5	75.7	3.1
EBIT	(3,596.1)	635.2	(4,231.3)	->100
PAT	(3,926.0)	(359.8)	(3,566.2)	>100
PAT (Excluding impairment of goodwill)	219.5	(359.8)	579.3	>100
PATAMI	(4,019.3)	(402.2)	(3,617.1)	>100
PATAMI (Excluding impairment of goodwill)	114.6	(402.2)	516.8	>100
Discontinued operations				
PAT	13,988.4	353.4	13,635.0	>100
PATAMI	13,986.7	349.8	13,636.9	>100
Total				
PAT	10,062.4	(6.4)	10,068.8	>100
PATAMI	9,967.4	(52.4)	10,019.8	>100

Group Performance

Compared to the immediate preceding quarter (Q4'22 vs Q3'22), Group revenue **for continuing operations** grew by 2.2% to RM5,834.9 million from growth of mobile operations in Sri Lanka, fixed broadband in Indonesia and infrastructure business. Consequently, Group EBITDA grew by 3.1% to RM2,548.2 million. EBIT fell significantly by more than 100% to a loss of RM3,596.1 million, mainly impacted by impairment of goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,145.5 million (PATAMI: RM4,133.9 million). Excluding this, EBIT would have decreased by 13.5%. At constant currency of Q3'22, revenue and EBITDA and EBIT would have increased by 3.6% and 5.2% respectively while EBIT would have decreased by more than 100%.



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1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result (Q4'22 vs Q3'22) (continued)

Group Performance (continued)

Group PAT and PATAMI for **continuing operations** both fell by more than 100% to a loss of RM3,926.0 million and a loss of RM4,019.3 million respectively. Excluding the impairment of goodwill, Group PAT and PATAMI would have increased by RM579.3 million and RM516.8 million respectively, mainly driven by higher top lines, foreign exchange gains in Q4'22 from the strengthening of OpCos respective currencies against USD as opposed to foreign exchange losses in Q3'22, and lower taxes. This is partially offset by higher depreciation and amortisation and finance costs.

Following the completion of the merger between Celcom and Digi on 30 November 2022, The Group's share of the financial results of Digi is recorded under continuing operations from 1 December 2022 onwards, while Celcom's financial results prior to 1 December 2022 is presented as discontinued operations. PAT and PATAMI contribution from **discontinued operations** both increased by more than 100% to RM13,988.4 million and RM13,986.7 million respectively, mainly driven by the one-off net gain on disposal of Celcom amounting to RM13,472.1 million.

Geographical Highlights

- **Indonesia:** Revenue fell by 2.1% to RM2,212.2 million, impacted by lower prepaid revenue. EBITDA grew by 3.4% to RM1,131.8 million, due to lower operating costs. PAT fell by 68.6% to RM37.5 million, impacted by higher depreciation and amortisation, finance costs and foreign exchange losses, partially cushioned by higher EBITDA and lower taxes.
- **Bangladesh:** Revenue fell by 2.3% to RM1,007.8 million, mainly due to depreciation of the Bangladeshi Taka ("BDT") against Ringgit Malaysia ("RM"). At constant currency, revenue increased by 1.9%, driven by higher data revenue. EBITDA (in RM) grew by 4.8% to RM473.2 million, mainly from lower operating costs. PAT increased by more than 100% to RM58.9 million, mainly due to higher EBITDA, lower depreciation and amortisation, and foreign exchange gains mainly from USD denominated loans and working capital, partially offset by higher taxes.
- **Sri Lanka:** Revenue grew by 12.9% to RM649.7 million mainly from growth in hubbing business. EBITDA fell by 31.7% to RM118.8 million, impacted by higher operating costs. PAT fell by more than 100% to a loss of RM100.0 million, impacted by lower EBITDA, impairment of goodwill and assets of RM110.4 million, lower foreign exchange gains, higher finance costs and taxes.

Sri Lanka's mobile operation represents approximately 4% of the Group's net assets. Sri Lanka is engulfed in an economic and political crisis resulting from the impacts of large sovereign debt repayments, significant tax cuts and COVID-19 collectively depleting the limited foreign reserves of the country. As a result, the SLR depreciated by 82% against the USD for the financial year ended 31 December 2022. The current situation has caused a significant rise in inflation, upward revision of interest rates, higher taxes, prolonged power cuts and a shortage of essential supplies including fuel and medicine resulting in significant challenges in business operations. Dialog is sustaining its operations in this challenging period and will continue to monitor the situation and respond accordingly.



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1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result (Q4'22 vs Q3'22) (continued)

Geographical Highlights (continued)

- **Nepal:** Revenue declined by 1.1% to RM339.2 million mainly due to lower prepaid and interconnect revenue. EBITDA increased by 11.8% to RM185.7 million due to lower operating costs. PAT fell by 13.6% to RM33.6 million, impacted by higher foreign exchange losses, partially cushioned by higher EBITDA.
- **Cambodia:** Revenue fell by 7.3% to RM422.8 million as there was one-off revenue from expiry of scratch cards in Q3'22. Excluding the one-off revenue, revenue grew by 1.7% from higher prepaid revenue. EBITDA grew by 25.3% to RM234.1 million as there was one-off additional fees (net of accruals) charged during Q3'22 for the use of microwave equipment in prior years of RM82.3 million. PAT surged by more than 100% to RM95.2 million, mainly due to higher EBITDA and lower taxes. In addition, Q3'22 PAT was impacted by one-off penalties on the above additional fees of RM71.3 million.
- **Fixed Broadband (Indonesia):** Revenue increased by 8.5% to RM348.4 million, mainly due to one-off Data Communications Service ("DCS") revenue recorded in Q4'22. EBITDA decreased by 23.2% to RM133.7 million, impacted by higher operating costs. PAT fell by more than 100% to a loss of RM3.8 million, mainly flow through from lower EBITDA, higher depreciation and amortisation and finance costs, partially cushioned by lower taxes.
- **Infrastructure:** Revenue increased by 8.2% to RM676.2 million from organic growth mainly from Bangladesh and contribution from new acquisition of towers. EBITDA fell by 13.9% to RM382.4 million, impacted by higher operating costs and impairment of receivables. Despite lower EBITDA, PAT grew by more than 100% to RM55.3 million, driven by foreign exchange gains from USD denominated loans and working capital as opposed to foreign exchange losses in Q3'22, lower depreciation and amortisation and taxes, partially offset by higher finance costs.

Myanmar is one of the infrastructure segment's operating footprint and it represents approximately 4% of Group's net assets. On 1 February 2021, Myanmar announced one-year state of emergency which continues to date. On 11 February 2021, United States imposed targeted sanctions followed by European Union on 22 February 2021. Since then, the United States, United Kingdom and European Union continue to expand sanctions for companies and individuals with ties to the military. To-date, none of the expanded list include or cause our operation in Myanmar to be in violation to sanctions regulation. The Group is consistently communicating with all stakeholders including its employees, customers and vendors in Myanmar and will continue to closely monitor and assess the business, operational, financial and regulatory compliance risks to mitigate against any potential impact arising from this challenging environment.



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2. Headline Key Performance Indicators (“KPIs”) for the Financial Year Ended 31 December 2022

On 22 February 2022, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2022. The Group’s 2022 Headline KPIs announced were as below:

	FY 2022 Achievement @ actual currency	FY 2022 Headline KPIs @ constant rate ¹	FY 2022 Achievement
Revenue Growth ²	6.2%	Mid single digit	10.3%
Earnings before Interest, and Tax (“EBIT”) ³ Growth	20.1%	High single digit	20.1%

Notes:

¹ Constant rate is based on FY21 Average Forex Rate (e.g. 1 USD = RM4.143)

² Revenue is based on revenue excluding device (“revenue ex-device”)

³ EBIT excludes impairment of goodwill

The Group posted strong operational performance in FY’22 with revenue and EBITDA growth, contributed by all OpCos except Dialog in Sri Lanka and Ncell in Nepal. PATAMI improvement was largely contributed by one-off net gain on disposal of Celcom, offset by higher depreciation and amortisation, goodwill impairment, unrealised forex losses from USD denominated borrowings, net finance cost and taxes.

Year on year (FY’22 versus FY’21), XL in Indonesia and Robi in Bangladesh have their performance lifted by strong industry data growth. Amidst a macroeconomic crisis in Sri Lanka, Dialog’s revenue growth remained resilient, whilst profitability was affected by SLR devaluation against the USD, goodwill and asset impairment in FY’22. Ncell in Nepal continues to face challenges as growth in domestic data business has not been able to offset the decline from International Long Distance (“ILD”) and the impact of lower interconnection rate. Notwithstanding higher regulatory costs in Cambodia, Smart delivers another year of strong operational performance.

Digital businesses continue to grow on the back of accelerated digitalisation amongst consumer and businesses. In addition to its existing e-wallet platform, Boost was awarded a digital bank license in Malaysia and is expanding its credit business; while ADA reports profitability for four consecutive years. EDOTCO records strong operational performance, benefitting from organic growth mainly from Bangladesh, and tower acquisitions in Malaysia and Philippines. The completion of the Link Net acquisition in Indonesia has also contributed positively to Group profits in the second half of FY’22.

Overall, the Group posted revenue ex-device growth of 6.2% and normalised EBIT growth of 20.1% in FY’22. Against headline KPIs at constant rate, the Group exceeded its target of mid single digit revenue ex-device growth and high single digit EBIT growth with 10.3% growth in revenue ex-device and 20.1% growth in EBIT respectively.



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3. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial year ended 31 December 2022.

4. Revenue

	4 th Quarter Ended		Financial Year Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
<u>Disaggregation of revenue from contracts with customers under MFRS 15:</u>				
Goods or services transferred:				
-at a point in time	444,872	413,202	1,370,220	1,152,641
-over time	5,000,478	4,645,421	18,873,600	17,814,942
<u>Revenue under other MFRS:</u>				
Lease and services of passive infrastructure	378,823	268,142	1,440,895	1,003,667
Financial institution interest income	10,738	9,700	41,020	23,118
	5,834,911	5,336,465	21,725,735	19,994,368

5. Taxation and Zakat

The taxation charge and zakat for the Group comprises:

	4 th Quarter Ended		Financial Year Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Income tax	150,253	309,365	583,665	666,583
Deferred tax	(11,980)	(85,917)	31,001	(22,983)
Zakat	-	90	-	90
Total taxation and zakat	138,273	223,538	614,666	643,690

The current quarter and financial year to date's effective tax rate of the Group are lower than the statutory tax rate mainly due to one-off net gain on disposal of Celcom.

6. Status of Corporate Proposals

There was no other corporate proposal announced but not completed as at 16 February 2023.



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7. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities were as follows:

	31 December 2022		31 December 2021*	
	Current	Non-current	Current	Non-current
	RM'000	RM'000	RM'000	RM'000
Secured	361,942	2,677,548	280,123	1,024,917
Unsecured	6,734,062	15,660,624	3,951,293	13,794,162
Total	7,096,004	18,338,172	4,231,416	14,819,079

* Includes Celcom Group's borrowings of RM1,775.0 million as at 31 December 2021.

(b) Foreign currency borrowings and debt securities in RM equivalent were as follows:

Foreign Currencies	31 December 2022	31 December 2021
	RM'000	RM'000
USD	14,319,900	10,230,291
IDR	4,864,119	3,030,562
BDT	378,759	393,160
SLR	231,270	485,941
NPR	652,766	716,297
PHP	1,900,965	-
Others	80,162	137,510
Total	22,427,941	14,993,761



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8. Outstanding Derivatives

(a) The details of the Group's outstanding net derivatives financial instruments set out as follow:

Type of derivative financial instruments	31 December 2022		31 December 2021*	
	Notional value	Fair value favourable/ (unfavourable)	Notional value	Fair value favourable/ (unfavourable)
	RM'000	RM'000	RM'000	RM'000
<u>Cross currency interest rate swaps:</u>				
- < 1 year	790,200	(14,196)	-	(20,497)
- > 3 years	4,390,000	(193,856)	4,177,500	(60,484)
<u>Convertible warrants in an associate:</u>				
- > 3 years	-	-	19,251	43,342
<u>Interest rate swaps:</u>				
- < 1 year	-	-	-	121
- 1 - 3 years	746,300	6,415	334,200	486
<u>Forward:</u>				
- 1 - 3 years	351,200	1,364	-	-
<u>Call option:</u>				
- > 3 years	5,136	2,311	4,888	2,311
Total		(197,962)		(34,721)

* Includes Celcom Group's financial instruments of RM43.3 million as at 31 December 2021.

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2021 Audited Financial Statements.

9. Fair Value Changes of Financial Liabilities

There was no derivative financial instrument which is marked to market as at the date of financial statement position that requires the recognition of fair value changes to the consolidated profit or loss for the current quarter and financial year to date.



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10. Material Litigations

The status of material litigation of the Group is as follows:

(a) Robi Axiata Limited (“Robi”) vs Commissioner of Large Taxpayer Unit (“LTU-VAT”) and Ors. (SIM Replacement Tax)

Robi SIM Replacement Dispute 2007-2011

On 17 May 2015, the LTU-VAT of the National Board of Revenue (“LTU-VAT of the NBR”) issued a revised demand letter for BDT4,145.5 million (RM177.0 million) [the earlier show cause letter dated 23 February 2012 for BDT6,549.9 million (RM279.7 million)] (“2007 to 2011 Revised Claim”) to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi for the duration from March 2007 to June 2011 when such SIM cards were issued as replacement cards to the existing subscribers of Robi.

In August 2015, Robi filed an appeal against the 2007 to 2011 Revised Claim to the Customs, Excise and VAT Appellate Tribunal. Robi deposited 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the VAT Act 1991. This appeal was first heard on 28 September 2016 by the Customs, Excise and VAT Appellate Tribunal and later reheard on 11 April 2017 by a reconstituted bench of the Customs, Excise and VAT Appellate Tribunal. The Customs, Excise and VAT Appellate Tribunal dismissed Robi’s appeal.

In September 2017, Robi filed an appeal to the High Court Division against the Customs, Excise and VAT Appellate Tribunal’s decision (“VAT Appeal No.1”). This VAT Appeal No. 1 is currently pending for hearing before the High Court Division.

Robi SIM Replacement Dispute July 2012 to July 2015

On 20 November 2017, the LTU-VAT of the NBR issued a demand letter for BDT2,852.0 million (RM121.8 million) (“2012 to 2015 Claim”) to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to the existing subscribers of Robi.

On 18 February 2018, Robi filed an appeal against the 2012 to 2015 Claim to the Customs, Excise and VAT Appellate Tribunal on the basis that replacement cards do not establish new connections and do not change existing subscribers’ numbers. Robi deposited 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the VAT Act 1991. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.

Robi then filed an appeal to the High Court Division against the Customs, Excise and VAT Appellate Tribunal’s decision (“VAT Appeal No.2”).



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(a) Robi Axiata Limited (“Robi”) vs Commissioner of Large Taxpayer Unit (“LTU-VAT”) and Ors. (SIM Replacement Tax) (continued)

Robi SIM Replacement Dispute July 2012 to July 2015 (continued)

On 23 November 2020, both VAT Appeal No.1 and VAT Appeal No.2 pending in the High Court Division were fixed for hearing whereupon the High Court Division ordered parties to file the remaining paper books.

On 3 December 2020, the High Court Division took the view that Robi needed to file a revision application for the VAT Appeal No. 2 under the new VAT and Supplementary Duty Act 2012 which became effective on 1 July 2019, and pursuant thereto, to deposit a further 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR.

Robi has filed written arguments against such views on the basis that the new VAT and Supplementary Duty Act 2012 is not applicable. This legal point was heard on 2 March 2021 in which the High Court Division dismissed Robi’s argument and advised Robi to file a revision application under the new VAT and Supplementary Duty Act 2012, to which Robi had on 23 March 2021 filed the Civil Miscellaneous Petition for Leave to Appeal (“CMP”) before the Appellate Division contending the dismissal. Pending the hearing of the CMP by the Appellate Division, the High Court Division issued a certified copy of the judgement on maintainability on 23 August 2021. Robi subsequently filed a Civil Petition for Leave to Appeal (“CP”) before the Appellate Division of the Supreme Court of Bangladesh. The CP is now pending for hearing.

(b) Robi vs LTU-VAT of the NBR (VAT Audit)

The LTU-VAT of the NBR issued 5 show cause cum demand notices to Robi for a total amount of BDT9,245.0 million (RM394.7 million). Robi filed writ petitions for judicial review) on 3 May 2018 to challenge these claims. The details are as below. The LTU-VAT of the NBR referred the matter to the Directorate General of Audit Intelligence and Investigation (“DGAI”) to re-examine the claims and as such, Robi is not pursuing the Writ Petitions.

- (i) the first show cause cum demand notice for BDT7,118.2 million (RM303.9 million) was issued based on the credit balance of VAT payable General Ledger (“GL”) and VAT Return and VAT payable for the period from 2013 to 2016. While conducting its audit, the LTU-VAT of the NBR asked for month-on-month movement of output and withholding GL from Systems, Applications and Products i.e., SAP (Opening, debit balance during the month, credit balance during the month and closing balance). Robi had submitted the required documents. The LTU-VAT of the NBR just considered the total credit balance of SAP GL as payable and compared it with VAT return without considering the documents or explanation submitted by Robi.



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(b) Robi vs LTU-VAT of the NBR (VAT Audit) (continued)

- (ii) the second show cause cum demand notice for BDT910.5 million (RM38.9 million) alleges unpaid VAT on merger and spectrum fee. The LTU-VAT of the NBR which collected merger fee/spectrum information from the Bangladesh Telecommunication Regulatory Commission ("BTRC") in relation to merger directly, thereafter arbitrarily calculated VAT without considering Robi's documents and information regarding actual payment to BTRC. This issue has already been covered in item (i), nevertheless the LTU-VAT of the NBR still arbitrarily made the same claim separately.
- (iii) the third show cause cum demand notice for BDT16.5 million (RM0.7 million) is to claim that VAT is payable on interconnection charges from Bangladesh Telecommunications Limited ("BTCL") for 2012. The output VAT for BTCL service to customer is centrally collected by the LTU-VAT of the NBR and that BTCL cannot adjust input VAT on interconnection charges payable to Robi. Therefore, BTCL did not pay the VAT on same to Robi. This issue has already been covered in item (i), nonetheless the LTU-VAT of the NBR still arbitrarily made the same claim separately.
- (iv) the fourth show cause cum demand notice for BDT35.7 million (RM1.5 million) is to claim that VAT is payable on interconnection charges from BTCL for 2013 to 2016 (the issue is same as item (iii) of this case but relating to different period (2013-2016)).
- (v) the fifth show cause cum demand notice for BDT1,164.1 million (RM49.7 million) is for VAT rebate cancellation on imported telecom items. The LTU-VAT of the NBR directly collected imports information from Customs Authority, then cancelled few imported items such as battery, switch, cable, router, system, etc. on arbitrary basis. These are the integral parts of machineries and spare parts.

Pursuant to re-examinations of the aforementioned demand notices by the DGAI, the LTU-VAT of the NBR issued 4 new show cause notices dated 22 March 2020 to Robi on the cumulative amount of BDT7,459.5 million (RM318.6 million) for the period of January 2013 to December 2016, details of which are set out as follows:

- (i) the first show cause notice is on BDT3,676.0 million (RM157.0 million) in relation to VAT deducted at source on grounds of (I) withholding VAT on handsets; (II) withholding VAT on dealer's commission; (III) withholding VAT not paid on revenue sharing on the basis of audited financial statements; (IV) less withholding VAT paid on the basis of audited accounts etc.
- (ii) the second show cause is on BDT394.3 million (RM16.8 million) in relation to VAT of BDT368.6 million (RM15.7 million) and supplementary duty payment of BDT25.7 million (RM1.1 million) based on Robi's audited financial statements.



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(b) Robi vs LTU-VAT of the NBR (VAT Audit) (continued)

- (iii) the third show cause notice is on BDT1,308.0 million (RM55.9 million) in relation to VAT on revenue sharing.
- (iv) the fourth show cause notice is on BDT2,081.2 million (RM88.9 million) in relation to VAT rebate cancellation.

Robi has filed writ petitions for judicial review on 27 June 2020 to the High Court Division against these four (4) new show-cause notices. The High Court Division subsequently issued a rule nisi in favour of Robi on 31 August 2020 and the rule nisi is pending for hearing.

(c) Robi vs BTRC

The BTRC conducted an audit on Robi's information system for the years between 1997 to 2014 and issued a claim of BDT8,672.4 million (RM370.3 million) against Robi on 31 July 2018 ("Information System Audit Claim"). This Information System Audit Claim is disputed by Robi and a Notice of Arbitration was served on BTRC on 30 May 2019.

On 13 June 2019, notwithstanding Robi's Notice of Arbitration, the BTRC directed Robi to make payment for the Information System Audit Claim within 10 days. Challenging the demand, Robi filed a suit on 25 August 2019 before the Joint District Judge, Dhaka seeking a declaration and permanent injunction against BTRC's Information System Audit Claim. The District Court admitted the suit.

Additionally, Robi filed an application seeking an ad interim relief in relation to: (i) temporary injunction restraining BTRC from demanding payment of the Information System Audit Claim; (ii) temporary injunction restraining BTRC from causing any interference with the operation of Robi's mobile telecommunication services; and (iii) direction from the court to the effect that BTRC shall issue all relevant No Objection Certificate(s) for the importation of telecommunication equipment and software, and grant all relevant approvals for tariff, service, package, etc. as and when required by Robi from time to time.

The abovementioned application for ad interim relief was dismissed on 1 September 2019 by the Joint District Judge, Dhaka. Robi referred an appeal before the High Court Division in respect of the rejection of temporary injunction application on 5 September 2019.

On 5 January 2020, the High Court Division issued an injunction upon BTRC on condition that Robi deposit BDT1,380.0 million (RM69.0 million) in five installments. Robi has deposited these five equal installments as of 31 May 2020. This matter is currently pending for hearing before the Joint District Judge in Dhaka.



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(d) Robi vs LTU-VAT of the NBR (VAT Rebate Cancellation)

For the period of 2010 to 2016, Robi claimed rebate for input VAT payable on certain services and goods related to capital machineries (i.e. antenna, cable, media gateway switch, battery, modem, telephone and telegraphic switch, power system, optical multi service systems, universal service router, printed service board, racks, etc.). The LTU-VAT of the NBR cancelled the rebates and issued the following demand notices cumulatively for BDT3,636.2 million (RM155.2 million) to which Robi is challenging:

- (i) the demand notice for the period of March 2012 to April 2013 is for BDT830.6 million (RM35.5 million).
- (ii) the demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM25.5 million).
- (iii) the demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM42.4 million).
- (iv) the demand notice for the period of February 2016 to April 2016 for BDT41.0 million (RM1.7 million).
- (v) the demand notice for the period of May 2016 to December 2016 is for BDT707.7 million (RM30.2 million).
- (vi) the demand notice for the financial years of 2010 to 2012 is for BDT466.9 million (RM19.9 million).

Robi filed VAT appeals to the High Court Division on 26 August 2013 for item (i), 21 January 2019 for items (ii) to (v), and on 1 June 2020 for item (vi). For item (i), Robi paid the amount in full. For items (ii) to (vi), Robi deposited 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on the provisions of the VAT Act 1991.

All the cases are currently pending for hearing before the High Court Division.



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(e) Robi vs The Commissioner of Taxes

The Commissioner of Taxes assessed the income tax return of Robi and disallowed certain losses and expenses (i.e. subsidy on acquisition expenses/promotional expense (SIM tax subsidy), foreign exchange losses, non-adjustment of depreciation allowances, etc.) and further determined the income tax payable as follows:

- (i) for the assessment year 2013-2014, BDT2,273.6 million (RM97.1 million) and interest of BDT378.2 million (RM16.2 million);
- (ii) for the assessment year 2014-2015, BDT2,246.3 million (RM95.9 million) and interest of BDT414.4 million (RM17.7 million); and
- (iii) for the assessment year 2015-2016, BDT2,263.2 million (RM96.6 million) and interest of BDT295.3 million (RM12.6 million).

Robi has referred its appeals to the High Court Division against the Commissioner of Taxes' respective determination and such appeals are pending hearing before the High Court Division.

(f) Mahtab Uddin Ahmed vs Robi and 4 Others

Former managing director and chief executive officer of Robi, Mahtab Uddin Ahmed ("MUA") filed a civil suit 22 August 2022, being Title Suit 568 of 2022 (the "Suit") against Robi and four (4) others, before the 1st Court of Joint District Judge, Dhaka. MUA is claiming BDT2,270.2 million (RM96.9 million) in retirement benefits and compensation, allegedly owed to MUA. The case is currently pending before the Court.



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(g) Dialog Broadband Networks (Private) Limited (Amalgamated with Suntel Limited) (“DBN”) vs Electroteks Network Services (Private) Limited (“Electroteks”)

On 20 November 2001, DBN initiated a claim against Electroteks for SLR68.8 million (RM0.8 million) to recover an outstanding amount due for the provision of telecommunication facilities. This claim has concluded and is currently at execution stage.

On 30 May 2002, Electroteks filed a counterclaim for SLR4,200.0 million (RM50.4 million) together with the interest thereon and it was allowed by the court (“Counterclaim Judgment”). DBN filed an appeal against the Counterclaim Judgment to the Supreme Court of Sri Lanka.

Pending disposal of the aforesaid appeal, Dialog Axiata Plc., the holding company of DBN, has provided a bank guarantee for SLR1,000.0 million (RM12.0 million) and a corporate guarantee for SLR3,200.0 million (RM38.4 million) to stay execution of the Counterclaim Judgment.

Parties filed written submissions on 30 November 2016. The Judgment was delivered by the Supreme Court of Sri Lanka on 14 December 2018 allowing the appeal of DBN and setting aside the Judgment of the Commercial High Court. Principal sum with the legal interest as at 14 December 2018 is SLR11,608.9 million (RM139.2 million).

Electroteks has filed a revision application in the Supreme Court of Sri Lanka under Case Number SC/MISC/3/2019 against the Judgment delivered by the Supreme Court of Sri Lanka and the matter came up for support on 17 May 2019. On that date, the Presiding Judge of the Supreme Court bench referred the matter to be mentioned on 12 June 2019 before a bench comprising the judges who delivered the Judgment. However, when the matter came up on 12 June 2019, no direction was made by the Supreme Court.

The matter was supported on 14 September 2020. The order was reserved by the Supreme Court.



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(h) Axiata Investments (UK) Limited (“Axiata UK”) and Ncell Axiata Limited (“Ncell”) vs Nepal (ICSID Case No. ARB19/15) - Arbitration of Axiata UK and Ncell vs Nepal

On 16 April 2019, the Large Taxpayer Office of Nepal (“LTPO”) issued demand letter for Ncell to pay NPR39,060.7 million (RM1,295.1 million) in allegedly outstanding capital gains tax (“CGT”) (including interest and penalties) in connection with Axiata UK’s acquisition of 100.0% of the share of Reynolds Holding Limited (“Reynolds”), which owns 80.0% of the shares of Ncell (“Transaction”) with such payment to be made within seven days.

Axiata UK and Ncell have filed a Request for Arbitration (“Request”) with the International Centre for the Settlement of Investment Disputes (“ICSID”) pursuant to the Agreement dated 2 March 1993 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Nepal for the Promotion and Protection of Investments (“Bilateral Investment Treaty”).

Axiata UK and Ncell’s claims as set out in the Request relate to Nepal’s conduct in contravention of its international law obligations under the Bilateral Investment Treaty on the Transaction.

Axiata UK and Ncell dispute the entirety of the CGT allegedly payable by Ncell in connection with the Transaction and will argue, among other things, that the imposition of CGT by Nepal in relation to the Transaction is unlawful. Axiata UK and Ncell will seek remedies including restitution of sums already paid, a permanent injunction against further attempts to collect CGT from Ncell in connection with the Transaction and damages for all losses suffered in consequence of Nepal’s unlawful conduct. Ncell has paid a total of NPR47,009.9 million (RM1,558.7 million) in alleged outstanding CGT.

Pursuant to the ICSID, Axiata UK and Ncell appointed Albert Jan van den Berg (Dutch) on 23 July 2019 as their chosen arbitrator. The arbitration tribunal (“Tribunal”) was fully constituted on 18 October 2019, the other members being Paul Friedland (American) and Professor Joongi Kim (Korean, presiding arbitrator).

On 18 December 2019, the Tribunal granted Axiata UK and Ncell’s application for provisional measures in large part and ordered that Nepal, its organs, agencies and officials, including the LTPO and the IRD, immediately be restrained from:

- (i) taking any steps to enforce or otherwise give effect to the demand letter served by the LTPO against Ncell dated 6 December 2019 in which the LTPO demanded that Ncell pay NPR22,445.1 million (RM744.2 million) in allegedly outstanding CGT (including interest and penalties) in connection with the Transaction; and
- (ii) taking any steps which would alter the status quo between Axiata UK, Ncell and Nepal or aggravate the present dispute (together, the “Provisional Measures Order”).



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10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(h) Axiata Investments (UK) Limited (“Axiata UK”) and Ncell Axiata Limited (“Ncell”) vs Nepal (ICSID Case No. ARB19/15) - Arbitration of Axiata UK and Ncell vs Nepal (continued)

A merits hearing was originally scheduled to take place in two (and potentially three) sessions. The first session was scheduled for 29 November 2021 to 3 December 2021, with the second session to take place on 11-16 April 2022, and with 4-5 July 2022 in reserve. However, by a decision of 28 November 2021, the Tribunal postponed the November/December 2021 session of the hearing due to the emergency hospitalisation of one of Nepal’s lawyers.

By Procedural Order No. 9 dated 3 December 2021, the Tribunal ordered that the hearing be deferred to 11-22 April 2022, with 4-5 July 2022 in reserve. The hearing has been concluded on 22 April 2022, following which the Tribunal will make a decision. The award is expected to be delivered within 6-12 months.

(i) Amended assessment notice by LTPO of Nepal on income tax return filed by Ncell for fiscal year 2015 to 2016

On 25 December 2020, the LTPO issued a notice (“Reassessment Notice”) under section 101(6) of the ITA to amend its earlier tax assessment of the income tax return filed by Ncell for the fiscal year of 2015 to 2016, being the fiscal year when the Transaction took place.

The LTPO had reassessed Ncell’s income tax return for the fiscal year of 2015 to 2016 and determined that based on section 57 of the ITA, Ncell’s taxable income for such fiscal year is now NPR127,827.6 million (RM4,238.4 million). Ncell responded to the Reassessment Notice on 12 January 2021 disagreeing, among other things, with the applicability of the assessment and the method used by LTPO to make the assessment.

Ncell has filed a writ petition (“First Writ”) against LTPO and related government agencies. On 13 January 2021, Ncell obtained an order from the SC that all decisions and proceedings in relation to the Reassessment Notice be stayed until the matter is heard by the SC. On 14 January 2021, the Tribunal also issued its procedural order recording the undertaking given by Nepal and its organs and agencies will not take any measures against Ncell in relation to the section 57 demand and the Transaction.

Notwithstanding the order from the SC, LTPO had on the same day issued a further notice (“Demand Notice”) under section 102 of the ITA for additional tax liability of NPR57,852.3 million (RM1,918.2 million). Ncell has filed another writ petition (“Second Writ”) to dispute the Demand Notice as the remedies sought in the First Writ have been rendered inapplicable by the Demand Notice. On 7 February 2021, the SC issued an interim order directing the respondents in the Second Writ not to execute the Demand Notice and not to withhold any benefits or facilities that Ncell is legally entitled to.

The hearing which was originally scheduled to take place on 2 November 2021 has been postponed by the SC to 4 April 2023.



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11. Other Disclosure Requirements under Appendix 9B of the Main LR

Other than those items disclosed in the statements of comprehensive income and notes in Part A of this announcement, there are no material impairment of inventories, gains/loss on disposal of investments, properties and assets during the current quarter and financial year to date.

12. Earnings Per Share (“EPS”)

(a) Basic EPS

	4 th Quarter Ended		Financial Year Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Profit/(Loss) attributable to owners of the Company (RM'000)				
- continuing operations	(4,019,292)	(326,506)	(5,117,607)	(136,913)
- discontinued operations	13,986,682	442,530	14,883,242	955,813
	9,967,390	116,024	9,765,635	818,900
Adjusted weighted average number of ordinary shares ('000) in issue	9,177,079	9,172,697	9,176,519	9,171,263
Basic EPS (sen)				
- continuing operations	(43.8)	(3.6)	(55.8)	(1.5)
- discontinued operations	152.4	4.9	162.2	10.4
	108.6	1.3	106.4	8.9

Basic EPS of the Group was calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the current quarter and financial year to date.



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12. Earnings Per Share (“EPS”) (continued)

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	4th Quarter Ended		Financial Year Ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Profit/(Loss) attributable to owners of the Company (RM'000)				
- continuing operations	(4,019,292)	(326,506)	(5,117,607)	(136,913)
- discontinued operations	13,986,682	442,530	14,883,242	955,813
	9,967,390	116,024	9,765,635	818,900
Weighted average number of ordinary shares in issue ('000)	9,177,079	9,172,697	9,176,519	9,171,263
Adjusted for diluted effect of Axiata PBLTIP ('000)	6,382	6,261	7,260	6,865
Adjusted weighted average number of ordinary shares ('000)	9,183,461	9,178,958	9,183,779	9,178,128
Diluted EPS (sen):				
- continuing operations	(43.8)	(3.6)	(55.7)	(1.5)
- discontinued operations	152.3	4.9	162.0	10.4
	108.5	1.3	106.3	8.9



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13. Analysis of Consolidated Profit and Loss

The consolidated profit and loss of the Group for the financial year ended 31 December 2022 and comparative figures of 2021 is re-presented in a combined format of continuing and discontinued operations for reference purposes:

4 th Quarter Ended	2022			2021		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,834,911	1,252,217	7,087,128	5,336,465	1,567,149	6,903,614
Operating costs:						
- depreciation, impairment and amortisation	(1,998,830)	(210,996)	(2,209,826)	(1,636,167)	(257,922)	(1,894,089)
- impairment of goodwill	(4,145,544)	-	(4,145,544)	(338,440)	-	(338,440)
- foreign exchange (losses)/gains	(80,657)	(1,903)	(82,560)	(9,858)	692	(9,166)
- domestic interconnect, international outpayment and other direct costs	(653,943)	(39,916)	(693,859)	(612,062)	(68,739)	(680,801)
- marketing, advertising and promotion	(492,970)	(17,812)	(510,782)	(503,799)	(72,506)	(576,305)
- other operating costs	(1,627,734)	(328,057)	(1,955,791)	(1,552,268)	(577,611)	(2,129,879)
- staff costs	(452,462)	(78,240)	(530,702)	(341,127)	(138,103)	(479,230)
- (reversal of)/provision for impairment on financial assets, net	(59,565)	(15,449)	(75,014)	(5,354)	9,863	4,509
Other gains/(losses) - net	2,939	-	2,939	(12,383)	(2)	(12,385)
Other income - net	11,197	58,225	69,422	25,195	134,086	159,281
Gain on disposal of a group of subsidiaries, net	-	13,472,081	13,472,081	-	-	-
	(3,662,658)	14,090,150	10,427,492	350,202	596,907	947,109
Finance income	95,779	3,687	99,466	48,560	(8,203)	40,357
Finance costs	(569,180)	(22,237)	(591,417)	(412,488)	(34,345)	(446,833)
Foreign exchange losses on financing activities	395,383	-	395,383	4,256	-	4,256
	(173,797)	(22,237)	(196,034)	(408,232)	(34,345)	(442,577)
Joint ventures						
- share of results (net of tax)	(1,768)	-	(1,768)	(1,187)	-	(1,187)
Associates						
- share of results (net of tax)	(45,319)	2,347	(42,972)	(336)	5,405	5,069
(Loss)/Profit before taxation	(3,787,763)	14,073,947	10,286,184	(10,993)	559,764	548,771
Taxation and zakat	(138,273)	(85,557)	(223,830)	(223,538)	(113,732)	(337,270)
(Loss)/Profit for the quarter	(3,926,036)	13,988,390	10,062,354	(234,531)	446,032	211,501
(Loss)/Profit for the financial period attributable to:						
- owners of the company	(4,019,292)	13,986,682	9,967,390	(326,506)	442,530	116,024
- non-controlling interest	93,256	1,708	94,964	91,975	3,502	95,477
	(3,926,036)	13,988,390	10,062,354	(234,531)	446,032	211,501



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13. Analysis of Consolidated Profit and Loss (continued)

The consolidated profit and loss of the Group for the financial year ended 31 December 2022 and comparative figures of 2021 is re-presented in a combined format of continuing and discontinued operations for reference purposes: (continued)

Financial Year Ended	2022			2021		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,725,735	5,795,919	27,521,654	19,994,368	5,906,293	25,900,661
Operating costs:						
- depreciation, impairment and amortisation	(7,070,912)	(980,250)	(8,051,162)	(6,317,817)	(1,437,022)	(7,754,839)
- impairment of goodwill	(4,145,544)	-	(4,145,544)	(340,029)	-	(340,029)
- foreign exchange (losses)/gains	(420,480)	(1,349)	(421,829)	58,050	189	58,239
- domestic interconnect, international outpayment and other direct costs	(2,148,369)	(277,628)	(2,425,997)	(1,972,088)	(227,842)	(2,199,930)
- marketing, advertising and promotion	(1,862,175)	(249,898)	(2,112,073)	(1,858,864)	(333,794)	(2,192,658)
- other operating costs	(6,328,825)	(1,923,296)	(8,252,121)	(5,685,331)	(2,277,902)	(7,963,233)
- staff costs	(1,662,470)	(519,240)	(2,181,710)	(1,536,728)	(534,278)	(2,071,006)
- provision for/(reversal of) impairment on financial assets, net	(127,251)	11,185	(116,066)	(39,098)	(30,719)	(69,817)
Other gains/(losses) - net	28,225	(4)	28,221	17,026	35,008	52,034
Other (expense)/income - net	(33,426)	141,929	108,503	107,224	291,431	398,655
Gain on disposal of a group of subsidiaries, net	-	13,472,081	13,472,081	-	-	-
	(2,045,492)	15,469,449	13,423,957	2,426,713	1,391,364	3,818,077
Finance income	255,274	(16,962)	238,312	179,684	(28,702)	150,982
Finance costs	(1,827,015)	(125,172)	(1,952,187)	(1,411,448)	(153,621)	(1,565,069)
Foreign exchange losses on financing activities	(564,533)	-	(564,533)	(234,355)	-	(234,355)
	(2,391,548)	(125,172)	(2,516,720)	(1,645,803)	(153,621)	(1,799,424)
Joint ventures						
- share of results (net of tax)	(9,709)	-	(9,709)	(7,706)	-	(7,706)
Associates						
- share of results (net of tax)	(56,817)	15,714	(41,103)	(1,663)	13,352	11,689
(Loss)/Profit before taxation	(4,248,292)	15,343,029	11,094,737	951,225	1,222,393	2,173,618
Taxation and zakat	(614,666)	(446,740)	(1,061,406)	(643,690)	(253,047)	(896,737)
(Loss)/Profit for the financial year	(4,862,958)	14,896,289	10,033,331	307,535	969,346	1,276,881
(Loss)/Profit for the financial year attributable to:						
- owners of the company	(5,117,607)	14,883,242	9,765,635	(136,913)	955,813	818,900
- non-controlling interests	254,649	13,047	267,696	444,448	13,533	457,981
	(4,862,958)	14,896,289	10,033,331	307,535	969,346	1,276,881



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13. Analysis of Consolidated Profit and Loss (continued)

(a) Quarter-on-Quarter (Q4'22 vs Q4'21)

Group revenue grew by 2.7% to RM7,087.1 million. Group EBITDA grew by 9.2% to RM3,321.0 million, flow through from higher revenue and lower operating costs. Group EBIT fell significantly by more than 100% to a loss of RM3,034.4 million, mainly impacted by impairment of goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,145.5 million (PATAMI: RM4,133.9 million) as opposed to impairment of goodwill of mobile operations in Nepal amounting to RM338.4 million (PATAMI: RM338.4 million) in Q4'21. Excluding this, EBIT would have decreased by 3.2%. At constant currency of Q4'21, revenue, EBITDA would have increased by 9.5% and 13.2% respectively, while EBIT would have decreased by more than 100%.

Group PAT and PATAMI both increased by more than 100% to RM10,062.4 million and RM9,967.4 million respectively, mainly driven by the one-off net gain on disposal of Celcom amounting to RM13,472.1 million. Excluding the one-off net gain on disposal and impairment of goodwill from both Q4'22 and Q4'21, Group PAT and PATAMI would have increased by RM184.3 million and RM173.5 million respectively, mainly due to higher top lines, foreign exchange gains and lower taxes, partially offset by higher depreciation and amortisation and finance costs.

(b) Year-on-Year (FY'22 vs FY'21)

The Group recorded a total revenue of RM27,521.7 million for FY'22, representing a 6.3% increase compared to the immediate preceding year. Consequently, Group EBITDA increased by 9.0% to RM12,433.7 million with growth across all Operating Companies ("OpCos") except mobile operations in Sri Lanka and Nepal. Group EBIT decreased by 92.8% to RM237.0 million, mainly impacted by impairment of goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,145.5 million (PATAMI: RM4,133.9 million), as opposed to impairment of goodwill of RM340.0 million (PATAMI: RM339.8 million) mainly relating to mobile operations in Nepal in FY'21. Excluding this, EBIT would have increased by 20.1%, mainly flow through from higher EBITDA. At constant currency of FY'21, revenue and EBITDA would have increased by 10.3% and 11.4% respectively, while EBIT would have decreased by 93.8%.

Group PAT and PATAMI both increased by more than 100% to RM10,033.3 million and RM9,765.6 million respectively, mainly driven by the one-off net gain on disposal of Celcom amounting to RM13,472.1 million. Excluding the one-off net gain on disposal and impairment of goodwill from both FY'22 and FY'21, Group PAT and PATAMI would have decreased by RM910.1 million and RM731.2 million respectively due to significant foreign exchange losses of RM986.4 million (unrealised: RM574.6 million), mainly from USD denominated loans and working capital. In addition, Group PAT and PATAMI were impacted by higher finance costs, higher taxes and one-off additional fees (net of accruals) and penalties charged during the financial year ended 31 December 2022 for the use of microwave equipment in prior years of RM153.6 million, partially cushioned by higher top lines.



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14. Qualification of Preceding Audited Financial Statements

The 2021 Audited Financial Statements were not subject to any qualification.

15. Dividend Proposed

The Board of Directors have resolved a tax exempt dividend under single tier system of 5.0 sen per ordinary share of the Company for the current quarter under review (Q4'21: 5.5 sen). The details of entitlement and payment date of the dividend will be determined and announced in due course.

Full year dividend declared for the financial year ended 31 December 2022 is 14.0 sen (2021: 9.5 sen).

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
23 February 2023