



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 period ended 31 March 2023.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	1st Quarter Ended		Financial Period Ended	
	<u>31/3/2023</u>	<u>31/3/2022</u>	<u>31/3/2023</u>	<u>31/3/2022</u>
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Revenue	5,378,716	4,983,890	5,378,716	4,983,890
Operating costs				
- depreciation, impairment and amortisation	(1,812,906)	(1,608,352)	(1,812,906)	(1,608,352)
- foreign exchange gains/(losses)	5,831	(241,187)	5,831	(241,187)
- domestic interconnect, international outpayment and other direct costs	(568,686)	(449,868)	(568,686)	(449,868)
- marketing, advertising and promotion	(426,414)	(476,450)	(426,414)	(476,450)
- other operating costs	(1,507,643)	(1,417,339)	(1,507,643)	(1,417,339)
- staff costs	(432,436)	(374,890)	(432,436)	(374,890)
- provision for impairment on financial assets, net	(26,806)	(19,064)	(26,806)	(19,064)
- other gains - net	6,310	11,511	6,310	11,511
Other income - net	10,993	30,184	10,993	30,184
	626,959	438,435	626,959	438,435
Finance income	83,871	44,836	83,871	44,836
Finance costs	(536,918)	(368,691)	(536,918)	(368,691)
Foreign exchange losses on financing activities	(19,402)	(235,657)	(19,402)	(235,657)
	(556,320)	(604,348)	(556,320)	(604,348)
Joint ventures				
- share of results (net of tax)	1,231	(1,986)	1,231	(1,986)
Associates				
- share of results (net of tax)	113,294	(799)	113,294	(799)
Profit/(Loss) before taxation from continuing operations	269,035	(123,862)	269,035	(123,862)
Taxation	(127,101)	(146,152)	(127,101)	(146,152)
Profit/(Loss) for the financial period from continuing operations	141,934	(270,014)	141,934	(270,014)
<u>Discontinued operations</u>				
Profit for the financial period from discontinued operations	-	260,723	-	260,723
Profit/(Loss) for the financial period	141,934	(9,291)	141,934	(9,291)

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



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

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	1st Quarter Ended		Financial Period Ended	
	<u>31/3/2023</u>	<u>31/3/2022</u>	<u>31/3/2023</u>	<u>31/3/2022</u>
	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(expense) (net of tax):				
<u>Continuing operations</u>				
Items that will not be reclassified to profit or loss:				
- actuarial gains on defined benefits plan (net of tax)	1,876	2,259	1,876	2,259
- fair value through other comprehensive income	1,177	4,554	1,177	4,554
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	420,715	(536,593)	420,715	(536,593)
- net cash flow hedge	29,085	(148,795)	29,085	(148,795)
- net cost of hedging	(8,208)	(8,240)	(8,208)	(8,240)
<u>Discontinued operations</u>				
- currency translation differences	-	17	-	17
Other comprehensive income/(expense) for the financial period (net of tax)	444,645	(686,798)	444,645	(686,798)
Total comprehensive income/(expense) for the financial period	586,579	(696,089)	586,579	(696,089)
Profit/(Loss) for the financial period attributable to:				
- owners of the Company:				
- continuing operations	73,850	(301,594)	73,850	(301,594)
- discontinued operations	-	258,620	-	258,620
	73,850	(42,974)	73,850	(42,974)
- non-controlling interests:				
- continuing operations	68,084	31,580	68,084	31,580
- discontinued operations	-	2,103	-	2,103
	68,084	33,683	68,084	33,683
	141,934	(9,291)	141,934	(9,291)

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



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

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	1st Quarter Ended		Financial Period Ended	
	<u>31/3/2023</u>	<u>31/3/2022</u>	<u>31/3/2023</u>	<u>31/3/2022</u>
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income/(expense) for the financial period attributable to:				
- owners of the Company:				
- continuing operations	445,552	(904,087)	445,552	(904,087)
- discontinued operations	-	258,637	-	258,637
	445,552	(645,450)	445,552	(645,450)
- non-controlling interests:				
- continuing operations	141,027	(52,742)	141,027	(52,742)
- discontinued operations	-	2,103	-	2,103
	141,027	(50,639)	141,027	(50,639)
	586,579	(696,089)	586,579	(696,089)
Earnings Per Share (sen) (Part B, Note 12)				
- basic:				
- continuing operations	0.8	(3.3)	0.8	(3.3)
- discontinued operations	-	2.8	-	2.8
	0.8	(0.5)	0.8	(0.5)
- diluted:				
- continuing operations	0.8	(3.3)	0.8	(3.3)
- discontinued operations	-	2.8	-	2.8
	0.8	(0.5)	0.8	(0.5)

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	<u>31/3/2023</u> RM'000 Unaudited	<u>31/12/2022</u> RM'000 Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,920,284	13,914,272
Reserves	10,007,106	10,020,787
Total equity attributable to owners of the Company	23,927,390	23,935,059
Non-controlling interests	6,930,611	6,745,291
Total equity	30,858,001	30,680,350
NON-CURRENT LIABILITIES		
Borrowings	18,581,524	18,347,504
Derivative financial instruments	109,827	168,717
Deferred income	3,492	3,403
Deferred gain on sale and leaseback assets	153,398	176,950
Trade and other payables	1,519,943	805,965
Lease liabilities	8,452,703	8,604,274
Provision for asset retirement	938,088	846,488
Deferred tax liabilities	932,029	933,812
Total non-current liabilities	30,691,004	29,887,113
	61,549,005	60,567,463

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)		
	<u>31/3/2023</u> RM'000 Unaudited	<u>31/12/2022</u> RM'000 Audited
NON-CURRENT ASSETS		
Intangible assets	14,379,144	13,442,150
Contract cost assets	158,037	138,210
Property, plant and equipment	27,933,612	27,200,975
Right-of-use assets	9,760,248	9,313,782
Joint ventures	16,912	15,682
Associates	15,622,802	15,596,891
Financial assets at fair value through other comprehensive income	180,311	179,180
Financial assets at fair value through profit or loss	6,504	5,758
Derivative financial instruments	39,186	25,945
Trade and other receivables	806,552	852,513
Deferred tax assets	172,405	175,638
Total non-current assets	69,075,713	66,946,724
CURRENT ASSETS		
Inventories	206,209	216,351
Trade and other receivables	7,066,534	6,943,592
Derivative financial instruments	6,453	14,931
Financial assets at fair value through profit or loss	19,906	34
Tax recoverable	74,037	67,356
Deposits, cash and bank balances	5,455,303	7,451,743
	12,828,442	14,694,007
LESS: CURRENT LIABILITIES		
Trade and other payables	10,060,580	10,579,565
Deferred gain on sale and leaseback assets	124,325	119,251
Deferred income	9,945	1,728
Lease liabilities	2,358,639	1,839,617
Borrowings	7,273,483	7,088,128
Derivative financial instruments	2,937	17,925
Current tax liabilities	525,241	601,102
Dividend payable	-	825,952
Total current liabilities	20,355,150	21,073,268
Net current liabilities	(7,526,708)	(6,379,261)
	61,549,005	60,567,463
Net assets per share attributable to owners of the Company (sen)	261	261

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022)



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

UNAUDITED 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 2023	9,177,237	13,914,272	(2,167,219)	(2,235,379)	14,423,385	23,935,059	6,745,291	30,680,350
Profit for the financial period	-	-	-	-	73,850	73,850	68,084	141,934
Other comprehensive (expense)/income:								
-Currency translation differences of subsidiaries	-	-	347,577	-	-	347,577	73,138	420,715
-Net cash flow hedge	-	-	-	29,530	-	29,530	(445)	29,085
-Net cost of hedging	-	-	-	(8,595)	-	(8,595)	387	(8,208)
-Actuarial gains/(losses) (net of tax)	-	-	-	2,013	-	2,013	(137)	1,876
-Revaluation of financial assets at FVTOCI	-	-	-	1,177	-	1,177	-	1,177
Total comprehensive income/(expense)	-	-	347,577	24,125	73,850	445,552	141,027	586,579
Transactions with owners:								
-Dilution/accretion of equity interests in subsidiaries	-	-	(4)	5	(2,863)	(2,862)	2,862	-
-Capital injection in a subsidiary	-	-	-	-	-	-	40,000	40,000
-Revaluation of call option	-	-	-	4,158	-	4,158	1,354	5,512
-Dividend declared to shareholders of the Company	-	-	-	-	(458,948)	(458,948)	-	(458,948)
-Dividends declared to NCI	-	-	-	-	-	-	-	-
-Share-based compensation expense	-	-	-	4,431	-	4,431	77	4,508
-Transferred from share-based payment reserve upon vesting/forfeiture	1,715	6,012	-	(6,012)	-	-	-	-
Total transactions with owners	1,715	6,012	(4)	2,582	(461,811)	(453,221)	44,293	(408,928)
At 31 March 2023	9,178,952	13,920,284	(1,819,646)	(2,208,672)	14,035,424	23,927,390	6,930,611	30,858,001

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 2022)



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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)								
	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 period	-	-	-	-	(42,974)	(42,974)	33,683	(9,291)
Other comprehensive (expense)/income:								
-Currency translation differences of subsidiaries	-	-	(450,841)	-	-	(450,841)	(85,735)	(536,576)
-Net cash flow hedge	-	-	-	(151,282)	-	(151,282)	2,487	(148,795)
-Net cost of hedging	-	-	-	(6,296)	-	(6,296)	(1,944)	(8,240)
-Actuarial gains (net of tax)	-	-	-	1,389	-	1,389	870	2,259
-Revaluation of financial assets at FVTOCI	-	-	-	4,554	-	4,554	-	4,554
Total comprehensive expense	-	-	(450,841)	(151,635)	(42,974)	(645,450)	(50,639)	(696,089)
Transactions with owners:								
-Accretion of equity interests in subsidiaries	-	-	-	-	4	4	3	7
-New/Additional investments in subsidiaries	-	-	-	-	-	-	17,483	17,483
-Rights issue of subsidiaries	-	-	-	-	-	-	31,117	31,117
-Dividends declared to shareholders of the Company	-	-	-	-	(504,724)	(504,724)	-	(504,724)
-Dividends declared to NCI	-	-	-	-	-	-	(4,522)	(4,522)
-Share-based compensation expense	-	-	-	4,302	-	4,302	191	4,493
-Transferred from share-based payment reserve upon vesting/forfeiture	1,817	7,469	-	(7,469)	-	-	-	-
Total transactions with owners	1,817	7,469	-	(3,167)	(504,720)	(500,418)	44,272	(456,146)
At 31 March 2022	9,176,804	13,912,676	(1,192,546)	(2,067,930)	6,207,256	16,859,456	7,054,138	23,913,594



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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Reserves								Total RM'000
	Call option	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	RM'000	
At 1 January 2023	-	16,598	346,774	(316,584)	(18,212)	18,925	28,241	(2,311,121)	(2,235,379)
Other comprehensive income/(expense):									
-Net cash flow hedge	-	-	-	29,530	-	-	-	-	29,530
-Net cost of hedging	-	-	-	-	(8,595)	-	-	-	(8,595)
-Actuarial gains (net of tax)	-	-	-	-	-	2,013	-	-	2,013
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	-	1,177	1,177
Total comprehensive income/(expense)	-	-	-	29,530	(8,595)	2,013	-	1,177	24,125
Transactions with owners:									
-Dilution/accretion of equity interests in subsidiaries	4	-	-	-	-	1	-	-	5
-Revaluation of call option	4,158	-	-	-	-	-	-	-	4,158
-Share-based compensation expense	-	-	-	-	-	-	4,431	-	4,431
-Transferred from share-based payment reserve upon vesting/forfeiture	-	-	-	-	-	-	(6,012)	-	(6,012)
Total transactions with owners	4,162	-	-	-	-	1	(1,581)	-	2,582
At 31 March 2023	4,162	16,598	346,774	(287,054)	(26,807)	20,939	26,660	(2,309,944)	(2,208,672)
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	-	-	-	(151,282)	-	-	-	-	(151,282)
-Net cost of hedging	-	-	-	-	(6,296)	-	-	-	(6,296)
-Actuarial gains (net of tax)	-	-	-	-	-	1,389	-	-	1,389
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	-	4,554	4,554
Total comprehensive (expense)/income	-	-	-	(151,282)	(6,296)	1,389	-	4,554	(151,635)
Transactions with owners:									
-Share-based compensation expense	-	-	-	-	-	-	4,302	-	4,302
-Transferred from share-based payment reserve upon vesting/forfeiture	-	-	-	-	-	-	(7,469)	-	(7,469)
Total transactions with owners	-	-	-	-	-	-	(3,167)	-	(3,167)
At 31 March 2022	-	16,598	346,774	(126,056)	(88,552)	16,015	26,098	(2,258,807)	(2,067,930)



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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS		
	FOR THE FINANCIAL PERIOD ENDED	
	<u>31/3/2023</u>	<u>31/3/2022</u>
	RM'000	RM'000
Receipts from customers and others	5,213,016	6,629,055
Payments to suppliers, employees and others	(3,022,465)	(3,766,079)
Payments of finance costs	(552,784)	(530,644)
Payments of income taxes (net of refunds)	(211,656)	(223,885)
CASH FLOWS FROM OPERATING ACTIVITIES*	<u>1,426,111</u>	<u>2,108,447</u>
Proceeds from disposal of property, plant and equipment ("PPE")	5,215	1,932
Purchase of PPE	(1,842,987)	(1,713,698)
Acquisition of IA	(158,654)	(62,011)
Investments in deposits maturing more than three (3) months	462,094	(25,839)
Investments in subsidiaries (net of cash acquired)	-	(14,571)
Additional investments in associates	(460)	(808)
Additional investments in other investments	-	(8,089)
Net proceeds from disposal of other investments	413	256
Payments for right-of-use ("ROU") assets	(4,976)	(14,080)
(Advances to)/Repayments from employees	(4,727)	817
Dividend received from associates	120,377	-
Interests received	91,657	37,230
CASH FLOWS USED IN INVESTING ACTIVITIES*	<u>(1,332,048)</u>	<u>(1,798,861)</u>
Proceeds from borrowings (net of transaction costs)	1,800,739	513,277
Repayments of borrowings	(1,948,202)	(588,473)
Repayments of Sukuk	-	(32,230)
Repayments of lease liabilities	(548,428)	(568,058)
Net proceeds from rights issue of subsidiaries	-	31,117
Capital injections in subsidiaries by NCI	40,000	7
Dividends paid to shareholders	(1,284,900)	(504,724)
Dividends paid to NCI	(54,086)	(36,683)
CASH FLOWS USED IN FINANCING ACTIVITIES*	<u>(1,994,877)</u>	<u>(1,185,767)</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 2022)



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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)		
	FOR THE FINANCIAL PERIOD ENDED	
	<u>31/3/2023</u>	<u>31/3/2022</u>
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,900,814)	(876,181)
NET (INCREASE)/ DECREASE IN RESTRICTED CASH AND CASH EQUIVALENTS	(1,845)	12,947
EFFECT OF EXCHANGE RATE CHANGES	133,805	(198,019)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	6,326,194	6,312,330
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>4,557,340</u>	<u>5,251,077</u>
Deposits, cash and bank balances	5,455,303	5,781,863
Less:		
Deposits pledged and restricted cash	(243,082)	(209,588)
Deposits maturing more than three (3) months	(279,737)	(246,692)
Bank overdraft	(375,144)	(74,506)
Total cash and cash equivalents	<u>4,557,340</u>	<u>5,251,077</u>

* Includes net cash flows from/(used in) discontinued operations (Malaysia) are as follows:

Cash flows from operating activities	-	556,037
Cash flows used in investing activities	-	(285,973)
Cash flows used in financing activities	-	(123,373)
Net increase in cash and cash equivalents	<u>-</u>	<u>146,691</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 2022)



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 period ended 31 March 2023 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 2022 (“2022 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 2022 Audited Financial Statements except for the changes arising from the adoption of the amendments to MFRS issued by MASB that are effective for the Group’s financial year beginning 1 January 2023, as follows:

- Amendments to MFRS 101 “Presentation of Financial Statements” and MFRS Practice Statement 2: Amendments on Disclosure of Accounting Policies
- Amendments to MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors”: Redefinition of Accounting Estimates
- Amendments to MFRS 112 “Income Taxes”: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

3. Seasonal or Cyclical Factors

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



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

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 19 April 2022, 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 Digitel 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). A total purchase of 2,203 towers with a total transaction value of PHP31,122.1 million (RM2,490.6 million) was completed in the previous financial year ended 31 December 2022.

edotco Towers had:

- (i) on 10 February 2023 completed the purchase of 287 towers with a transaction value of PHP4,054.4 million (RM324.4 million); and
- (ii) on 18 April 2023 completed the purchase of 135 towers with a transaction value of PHP1,907.2 million (RM154.9 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.

- (b) Boost Holdings Sdn Bhd ("Boost Holdings"), RHB Bank Berhad ("RHB Bank") and Boost Berhad have on 31 March 2023, entered into a share subscription agreement for Boost Holdings and RHB Bank to subscribe for 100 million new ordinary shares in Boost Berhad (based on ratio of 60:40 as disclosed in Part A, Note 12(c) of this announcement) for a cash consideration of RM100.0 million for Boost Berhad to meet the minimum capital funds requirements for a digital bank of RM100.0 million unimpaired by losses.

Additionally, Boost Holdings, RHB Bank and Boost Berhad have on 31 March 2023, entered into a shareholders' agreement to regulate the affairs of Boost Berhad as the Proposed Digital Bank, and Boost Holdings and RHB Bank's relationship between themselves as shareholders of Boost Berhad.

- (c) During the current quarter and financial period to date, the Group recognised net foreign exchange losses of RM13.6 million 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 period ended 31 March 2023.



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

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 period to date.

In preparing the unaudited financial statements, the significant judgements and estimates made by the management in applying the Group's accounting policies were consistent as those applied to 2022 Audited Financial Statements.

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

- (a) During the financial period 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 RM3.44 and RM4.67 being the fair value of RSP issued	1,715	6,012
Total	1,715	6,012

There were no significant issues, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2023.

7. Dividends Paid

- (a) The Company paid the dividends during the financial period as below:

Date of payment	Description	Per ordinary share	Total
20 January 2023	Tax exempt dividend under single tier in respect of financial year ended 31 December 2022	Sen 9.0	RM'000 825,952
28 March 2023	Tax exempt dividend under single tier in respect of financial year ended 31 December 2022	5.0	458,948
Total		14.0	1,284,900



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

8. Segmental Information

For the financial period ended 31 March 2023

Segment	Mobile					Fixed BB ¹	Infrastructure	Digital		Others ⁴	Consolidation adjustments/eliminations	Total
	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Indonesia		ADA ²	Boost ³			
	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	2,173,629	975,157	623,631	309,997	396,935	281,578	644,055	149,113	30,775	42,227	-	5,627,097
Inter-segment ⁵	(1,530)	(20,291)	(1,769)	(135)	(9,960)	(20)	(173,955)	(8,326)	(5,546)	(26,849)	-	(248,381)
External operating revenue	2,172,099	954,866	621,862	309,862	386,975	281,558	470,100	140,787	25,229	15,378	-	5,378,716
Earnings before interest, tax, depreciation and amortisation ("EBITDA") ⁶	1,038,517	432,963	162,057	172,318	225,925	122,000	447,815	4,024	(41,548)	(54,820)	(92,520)	2,416,731
Finance income	7,857	1,117	8,143	5,458	6,820	136	12,301	2,074	1,548	46,991	(8,574)	83,871
Finance cost	(198,363)	(63,936)	(34,712)	(25,313)	(6,435)	(29,708)	(108,909)	(253)	(4,133)	(119,176)	54,020	(536,918)
Depreciation of PPE	(450,372)	(145,897)	(96,360)	(62,368)	(74,967)	(98,813)	(162,725)	(752)	(202)	(1,776)	6,961	(1,087,271)
Depreciation of ROU assets	(333,631)	(36,688)	(5,520)	(4,733)	(16,536)	(10,853)	(70,644)	(1,098)	(1,033)	(1,746)	49,626	(432,856)
Amortisation of IA	(1,090)	(88,050)	(11,504)	(32,466)	(3,517)	(5,047)	(18,079)	(3,631)	(8,635)	(1,154)	(86,386)	(259,559)
Joint ventures:												
- share of results (net of tax)	-	-	-	-	-	-	-	-	-	1,231	-	1,231
Associates:												
- share of results (net of tax)	(13,806)	-	(221)	-	307	-	-	-	-	115,993	11,021	113,294
Impairment of PPE (net of reversal)	-	(10,415)	6,598	-	-	(1,452)	(626)	-	-	3	-	(5,892)
Other income/(expense)	22,888	(47,245)	88,981	(1,219)	5,235	2,846	(55,804)	(4,036)	1,134	(23,669)	(12,707)	(23,596)
Taxation	(10,452)	(24,394)	(9,250)	(15,724)	(29,806)	3,940	(59,123)	(222)	(186)	(124)	18,240	(127,101)
Segment profit/(loss) for the financial period	61,548	17,455	108,212	35,953	107,026	(16,951)	(15,794)	(3,894)	(53,055)	(38,247)	(60,319)	141,934

¹ Fixed broadband.

² ADA refers to Axiata Digital & Analytics Sdn Bhd ("ADA") and its subsidiaries.

³ Boost refers to Boost Holdings and its subsidiaries.



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

8. Segmental Information (continued)

For the financial period ended 31 March 2022

Segment	Mobile					Infrastructure	Digital		Others ⁴	Consolidation adjustments/eliminations	Continuing operations	Discontinued operations (Malaysia)	Total
	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia		ADA ²	Boost ³					
	RM'000	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	1,968,681	981,338	734,802	342,430	370,379	563,675	188,837	16,195	67,363	-	5,233,700	1,657,837	6,891,537
Inter-segment ⁵	(65)	(24,243)	(6,443)	(2,310)	(8,688)	(155,827)	(14,849)	(619)	(36,766)	-	(249,810)	(171,776)	(421,586)
External operating revenue	1,968,616	957,095	728,359	340,120	361,691	407,848	173,988	15,576	30,597	-	4,983,890	1,486,061	6,469,951
EBITDA ⁶	933,466	407,708	283,206	197,218	196,432	392,558	18,026	(41,588)	(63,729)	(77,018)	2,246,279	652,184	2,898,463
Finance income	5,178	553	3,909	2,868	3,505	4,875	890	684	25,774	(3,400)	44,836	(8,101)	36,735
Finance cost	(174,565)	(50,743)	(14,211)	(29,362)	(6,561)	(43,385)	(176)	(1,368)	(87,161)	38,841	(368,691)	(34,569)	(403,260)
Depreciation of PPE	(439,556)	(174,072)	(120,570)	(64,694)	(67,910)	(115,673)	(755)	(247)	(1,885)	5,277	(980,085)	(186,892)	(1,166,977)
Depreciation of ROU assets	(298,325)	(40,871)	(9,936)	(3,747)	(14,940)	(63,857)	(873)	(523)	(1,805)	50,647	(384,230)	(44,633)	(428,863)
Amortisation of IA	-	(77,387)	(18,410)	(32,760)	(3,214)	(17,354)	(3,051)	(6,261)	(558)	(52,581)	(211,576)	(15,463)	(227,039)
Joint venture:													
- share of results (net of tax)	-	-	-	-	-	-	-	-	(1,986)	-	(1,986)	-	(1,986)
Associates:													
- share of results (net of tax)	453	-	(362)	-	(650)	-	-	-	(240)	-	(799)	3,950	3,151
Impairment of PPE (net of reversal)	462	(351)	1,231	-	-	-	-	-	-	-	1,342	-	1,342
Other income/(expense) ⁷	37,615	(19,827)	(418,758)	(2,748)	(3,373)	(3,109)	(915)	471	(68,315)	10,007	(468,952)	10,606	(458,346)
Taxation	(12,849)	(25,649)	(10,149)	(22,340)	(28,782)	(52,620)	(7,338)	(2)	(66)	13,643	(146,152)	(116,359)	(262,511)
Segment profit/(loss) for the financial period	51,879	19,361	(304,050)	44,435	74,507	101,435	5,808	(48,834)	(199,971)	(14,584)	(270,014)	260,723	(9,291)

⁴ Others include the Company, special purpose vehicles and other entities.

⁵ 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.

⁶ EBITDA consolidation adjustments/eliminations mainly due to inter-segment elimination for leases under MFRS 16.

⁷ Included in other expense of Sri Lanka's mobile segment is unrealised foreign exchange losses mainly arising from the revaluation of USD borrowings and working capital.



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

9. Valuation of PPE

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

10. Acquisitions of PPE

During the financial period to date, the Group acquired additional PPE amounting to RM1,408.0 million mainly for its telecommunication network equipment and capital work in progress. Included in the additional PPE is acquisition of telecommunication towers by a subsidiary amounting to RM356.6 million (including the capitalisation of asset retirement obligation provision and transaction costs).

11. Events after the Interim Period

(a) Acquisition of Equity Interest in Dhiomics Analytics Solutions Private Limited (“Dhiomics”) by ADA Digital Singapore Pte Ltd (“ADADS”)

ADADS, an indirect subsidiary of the Company held via ADA, had on 5 April 2023, completed its acquisition of 81,182 ordinary shares representing approximately 99.00% interest in Dhiomics held by two individuals, Prabhat Agarwal and Nilesh Gupta (collectively, “Sellers”), at a purchase consideration of INR139.0 million (RM74.8 million), of which INR34.8 million will be disbursed upon expiry of 18 months from the date of the relevant sale and purchase agreement, subject to the fulfilment of certain conditions by the Sellers. Effectively, Dhiomics became a direct subsidiary of ADADS.

(b) Voluntary Liquidation of Suvitech Co., Ltd. (“Suvitech”)

Xpand Investments (Labuan) Limited, a wholly owned subsidiary of the Company held via Axiata Business Services Sdn Bhd, had on 1 May 2023 registered the voluntary liquidation of Suvitech pursuant to the Civil and Commercial Code of Thailand. In relation thereto, Mr. Rittichai Ngodngam of Prowess Law Co., Ltd., holding the Thai lawyer license No. 276/2538, was appointed as the Liquidator for Suvitech.

Barring any unforeseen circumstances, the voluntary liquidation process is expected to be completed approximately within three (3) months from the date of registration of the Liquidator with the Department of Business Development of Thailand.

(c) Accretion of Equity Interest in Axiata Digital Services Sdn Bhd (“ADS”)

On 2 May 2023, ADS issued an additional 94,012 ordinary shares to the Company on 2 May 2023 by way of conversion of the shareholder loan made by the Company to ADS to equity. Accordingly, the Company’s equity interest in ADS increased from 96.66% to 96.71%.

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

As at 11 May 2023, DADIF, a subsidiary of Digital Holdings Lanka (Private) Limited (“DHL”) which in turn an indirect subsidiary of the Company via Dialog Axiata Plc (“Dialog”) had issued 7,548 preference shares out of which 7,500 were issued to DHL and the remaining shares were issued to individual shareholders. Accordingly, DHL’s equity interest in DADIF increased from 93.00% to 93.07%.

Other than the above and as disclosed in Part A, Note 4(a)(ii), Part B, Note 6(a) and Note 10 of this announcement, there was no other significant event after interim period that requires disclosure and/or adjustment as at 18 May 2023.



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

12. Effects of Changes in the Composition of the Group

(a) Accretion of Equity Interest in DADIF

DADIF, a subsidiary of DHL which in turn an indirect subsidiary of the Company via Dialog had from 1 January to 31 March 2023 ("Q1'23"), issued 7,500 preference shares to DHL. Accordingly, DHL's equity interest in DADIF increased from 92.93% to 93.00% in Q1'23.

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

(b) Dilution of equity interest in Axiata Digital Bangladesh (Private) Limited ("ADB")

ADA, a subsidiary of ADS had on 30 January 2023 completed the acquisition of 2,524,873 ordinary shares, representing 99.99% in ADB from ADS at a purchase consideration of BDT241.1 million (RM9.7 million). As a result, the Group's effective shareholding in ADB decreased from 96.56% to 61.29%.

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

(c) Incorporation of Boost Berhad

On 1 March 2023, the Group through Boost Holdings incorporated a new subsidiary, named Boost Berhad with RHB Bank. Boost Holdings and RHB Bank holds 60.00% and 40.00% in Boost Berhad respectively. The initial issued and paid-up share capital of Boost Berhad was RM100 and on 31 March 2023, the issued and paid-up share capital was increased to RM100,000,100. The intended principal activity of Boost Berhad is to set up a digital banking business under the Financial Services Act 2013 and the provision of related services.

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

(d) Accretion of equity interest in ADS

On 10 March 2023, ADS issued an additional 196,067 ordinary shares to the Company for a total consideration of RM92.0 million. Accordingly, the Company's equity interest in ADS increased from 96.56% to 96.66%.

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



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

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

(e) Dilution of Equity Interest in PT Axiata Digital Analytics Indonesia (“ADAI”)

ADAI, an indirect subsidiary of the Company held through ADA and ADS, issued an additional 5,016 ordinary shares to ADA on 15 March 2023 for cash consideration of IDR6,673,788,000. Accordingly, the Group’s effective shareholding in ADAI decreased from 61.70% to 61.47%.

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

Other than the above, there was no other change in the composition of the Group for the financial period ended 31 March 2023.

13. Significant Changes in Contingent Assets or Contingent Liabilities

Other than as disclosed in Part B, Note 10 of this announcement, there was no significant change in contingent assets or contingent liabilities of subsidiaries from that disclosed in the 2022 Audited Financial Statements.

14. Capital Commitments

As at	Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
PPE		
Commitments in respect of expenditure approved and contracted for	2,551,792	3,048,523



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

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 Parties Disclosure”.

Khazanah Nasional Berhad (“Khazanah”) has direct interest of 36.73% in the Company’s shares. Khazanah is the sovereign wealth fund of the Government of Malaysia and was incorporated under the Companies Act 2016 on 3 September 1993 as a public limited company.

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group. The Group enters into transactions with many of these bodies, which includes but are 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 Period Ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
<u>Continuing operations:</u>		
Sale of telecommunication services to associates	145,704	7,685
Purchase of network related services from associates	(14,019)	(17,512)

	31 March 2023	31 December 2022
Receivables from associates	2,476,237	2,555,096
Payable to associates	(24,316)	(24,746)
Lease payable to associates	(114,249)	(112,063)



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

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 March 2023				31 December 2022			
	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
<u>Assets</u>								
Financial assets at FVTPL:								
-Trading securities	19,906	-	-	19,906	34	-	-	34
-Unquoted securities	-	-	6,504	6,504	-	-	5,758	5,758
-Non-hedging derivatives	-	7,825	-	7,825	-	2,311	-	2,311
-Derivative used for hedging	-	37,814	-	37,814	-	38,565	-	38,565
Financial assets at FVTOCI ¹ :								
-Equity securities	-	-	180,311	180,311	-	-	179,180	179,180
Assets at FVTPL:								
-Other receivables			454,956	454,956	-	-	447,010	447,010
<u>Liabilities</u>								
Financial liabilities at FVTPL:								
-Derivatives used for hedging		(112,764)		(112,764)	-	(186,642)	-	(186,642)
Total	19,906	(67,125)	641,771	594,552	34	(145,766)	631,948	486,216

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



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

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

1. Review of Performance

(a) Quarter-on-Quarter (Q1'23 vs Q1'22)

	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	
	31/03/2023	31/03/2022		
	RM'million	RM'million	RM'million	%
Continuing operations				
Revenue	5,378.7	4,983.9	394.8	7.9
EBITDA	2,416.7	2,246.3	170.4	7.6
EBIT ¹	603.8	637.9	(34.1)	-5.3
PAT ²	141.9	(270.0)	411.9	>100
PATAMI ³	73.9	(301.6)	375.5	>100
Discontinued operations				
PAT	-	260.7	(260.7)	-100
PATAMI	-	258.6	(258.6)	-100
Total⁴				
PAT	141.9	(9.3)	151.2	>100
PATAMI	73.9	(43.0)	116.9	>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 (Q1'23 vs Q1'22), Group revenue for **continuing operations** grew by 7.9% to RM5,378.7 million mainly contributed by mobile operations in Indonesia and Cambodia, infrastructure business and new revenue segment from fixed broadband in Indonesia. Consequently, Group EBITDA grew by 7.6% to RM2,416.7 million. Group EBIT fell by 5.3% to RM603.8 million mainly impacted by higher depreciation and amortisation. At constant currency of Q1'22, revenue, EBITDA and EBIT would have increased by 19.4%, 16.3% and 3.4% respectively.



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

1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q1'23 vs Q1'22) (continued)

Group Performance (continued)

Group PAT and PATAMI for **continuing operations** both increased by more than 100% to RM141.9 million and RM73.9 million respectively, mainly due to higher top lines, lower foreign exchange losses as there were significant foreign exchange losses in Q1'22, mainly contributed by mobile operations in Sri Lanka, higher share of results of associates mainly from CelcomDigi Berhad, and lower taxes, partially offset by higher depreciation and amortisation and higher 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 CelcomDigi Berhad 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. Consequently, PAT and PATAMI contribution from **discontinued operations** both decreased by 100%.

Geographical Highlights

- **Indonesia:** Revenue increased by 10.4% to RM2,173.6 million, mainly due to higher prepaid data and digital advertising revenue following contract renegotiation with ADA. EBITDA grew by 11.3% to RM1,038.5 million, flow through from higher revenue. PAT increased by 18.6% to RM61.5 million, driven by higher top lines, foreign exchange gains as opposed to foreign exchange losses in Q1'22, and lower taxes, partially offset by higher depreciation and amortisation, finance costs and share of losses of associates.
- **Bangladesh:** Revenue remained flat at RM975.2 million, impacted by unfavourable foreign exchange movements of the Bangladeshi Taka ("BDT") against Ringgit Malaysia ("RM"). At constant currency of Q1'22, revenue grew by 16.3%, mainly driven by higher revenue from prepaid business. EBITDA (in RM) increased by 6.2% to RM433.0 million, driven by lower operating costs. PAT fell by 9.8% to RM17.5 million, mainly due to higher foreign exchange losses and finance costs, partially cushioned by lower depreciation and amortisation.
- **Sri Lanka:** Revenue fell by 15.1% to RM623.6 million, mainly due to depreciation of the Sri Lankan Rupee ("LKR") against RM resulting from the current macroeconomic crisis in Sri Lanka. At constant currency of Q1'22, revenue grew by 30.9%, driven by growth in hubbing business and higher data revenue. EBITDA (in RM) fell by 42.8% to RM162.1 million, flow through from lower revenue and higher operating costs. PAT increased by more than 100% to RM108.2 million, mainly due to lower depreciation and amortisation, foreign exchange gains of RM110.4 million as opposed to foreign exchange losses of RM387.4 million in Q1'22 resulting from USD denominated loans and liabilities, partially offset by lower top lines and higher finance costs.
- **Nepal:** Revenue fell by 9.5% to RM310.0 million due to lower prepaid voice revenue impacted by downward revision in interconnect rates. EBITDA declined by 12.6% to RM172.3 million, flow through from lower revenue. PAT declined by 19.1% to RM36.0 million, impacted by lower top lines, partially cushioned by lower finance costs and taxes.



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

1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q1'23 vs Q1'22) (continued)

Group Performance (Continued)

- **Cambodia:** Revenue increased by 7.2% to RM396.9 million, driven by higher data revenue from growth in prepaid business. EBITDA grew by 15.0% to RM225.9 million, flow through from higher revenue and lower operating costs from one-off reversal of accruals. PAT increased by 43.6% to RM107.0 million, resulting from higher top lines, one-off gains from government grant, lower foreign exchange losses and finance costs partially offset by higher depreciation and amortisation and taxes.
- **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 Q1'23 are RM281.6 million, RM122.0 million, and a loss of RM17.0 million respectively.
- **Infrastructure:** Revenue increased by 14.3% to RM644.1 million from organic growth mainly from Bangladesh and contribution from new acquisition of towers. EBITDA grew by 14.1% to RM447.8 million, mainly flow through from higher revenue, partially offset by higher operating costs. PAT declined by more than 100% to a loss of RM15.8 million, impacted by higher depreciation and amortisation, foreign exchange losses from USD denominated loans and working capital, and higher finance costs, partially cushioned by higher top lines.
- **Digital (ADA):** Revenue decreased by 21.0% to RM149.1 million, primarily due to lower revenue share following contract renegotiation with XL. EBITDA fell by 77.7% to RM4.0 million, mainly flow through from lower revenue. PAT declined by more than 100% to a loss of RM3.9 million, impacted by lower top lines and higher foreign exchange losses, partially cushioned by lower taxes.
- **Digital (Boost):** Revenue grew by 90.0% to RM30.8 million, driven by monetisation of marketing assets and higher interest income from loan disbursements. Despite higher revenue, EBITDA remained flat due to higher operating costs. PAT declined by 8.6% to a loss of RM53.1 million, impacted higher depreciation and amortisation and higher finance costs.



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

1. Review of Performance (continued)

(b) Comparison with Preceding Quarter's Result (Q1'23 vs Q4'22)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31/03/2023	31/12/2022		
	RM'million	RM'million	RM'million	%
Continuing operations				
Revenue	5,378.7	5,809.3	(430.6)	-7.4
EBITDA	2,416.7	2,548.8	(132.1)	-5.2
EBIT	603.8	(3,602.8)	4,206.6	>100
PAT	141.9	(3,940.0)	4,081.9	>100
PAT (Excluding impairment of goodwill)	141.9	212.8	(70.9)	-33.3
PATAMI	73.9	(4,033.9)	4,107.8	>100
PATAMI (Excluding impairment of goodwill)	73.9	107.3	(33.4)	-31.2
Discontinued operations				
PAT	-	13,988.4	(13,988.4)	-100
PATAMI	-	13,986.7	(13,986.7)	-100
Total				
PAT	141.9	10,048.4	(9,906.5)	-98.6
PATAMI	73.9	9,952.8	(9,878.9)	-99.3

Group Performance

Compared to the immediate preceding quarter (Q1'23 vs Q4'22), Group revenue **for continuing operations** fell by 7.4% to RM5,378.7 million, impacted by lower contribution from all business segments. Consequently, Group EBITDA fell by 5.2% to RM2,416.7 million. EBIT increased significantly by more than 100% to RM603.8 million, as there was impairment of goodwill of mobile operations in Nepal, Indonesia and Sri Lanka amounting to RM4,152.8 million (PATAMI: RM4,141.2 million) in Q4'22. Excluding this, EBIT would have increased by 9.8%. At constant currency of Q4'22, revenue and EBITDA would have decreased by 4.2% and 1.7% respectively.



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

1. Review of Performance (continued)

(b) Comparison with Preceding Quarter's Result (Q1'23 vs Q4'22) (continued)

Group Performance (continued)

Group PAT and PATAMI for **continuing operations** increased by more than 100% to RM141.9 million and RM73.9 million respectively. Excluding the impairment of goodwill from Q4'22, Group PAT and PATAMI would have decreased by RM70.9 million and RM33.4 million respectively, mainly impacted by lower top lines and foreign exchange losses as opposed to foreign exchange gains in Q4'22, partially cushioned by lower depreciation and amortisation, higher share of results of associates mainly from CelcomDigi Berhad, lower finance costs and taxes.

Following the completion of the merger between Celcom and Digi on 30 November 2022, The Group's share of the financial results of CelcomDigi Berhad 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. Consequently, PAT and PATAMI contribution from **discontinued operations** both decreased by 100% respectively. The PAT and PATAMI for Q4'22 is mainly driven by the one-off net gain on disposal of Celcom amounting to RM13,530.1 million.

Geographical Highlights

- **Indonesia:** Revenue fell by 1.7% to RM2,173.6 million, impacted by lower prepaid revenue. EBITDA declined by 8.2% to RM1,038.5 million, due to lower revenue and higher operating costs. PAT increased by 64.1% to RM61.5 million, driven by lower depreciation and amortisation, foreign exchange gains as opposed to foreign exchange losses in Q4'22 and lower finance costs, partially offset by lower top lines.
- **Bangladesh:** Revenue fell by 3.2% to RM975.2 million, mainly due to depreciation of the Bangladeshi Taka ("BDT") against Ringgit Malaysia ("RM"). At constant currency of Q4'22, revenue increased by 3.8%, driven by higher data and voice revenue. EBITDA (in RM) fell by 8.5% to RM433.0 million, flow through from lower revenue. PAT fell by 70.4% to RM17.5 million, mainly flow through from lower top lines, higher foreign exchange losses mainly from USD denominated loans and working capital and higher taxes, partially cushioned by lower finance costs.



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

1. Review of Performance (continued)

(b) Comparison with Preceding Quarter's Result (Q1'23 vs Q4'22) (continued)

Geographical Highlights (continued)

- **Sri Lanka:** Revenue declined by 4.0% to RM623.6 million mainly impacted by lower hubbing revenue. EBITDA grew by 34.0% to RM162.1 million, due to lower operating costs. PAT increased by more than 100% to RM108.2 million, driven by higher EBITDA, lower depreciation, impairment and amortisation as there was an impairment of goodwill and assets of RM110.4 million in Q4'22, and higher foreign exchange gains, partially offset by higher finance costs.

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. Since the crisis started the LKR has depreciated significantly against the USD. The significant rise in inflation, upward revision of interest rates and higher taxes have resulted in continuous challenges in business operations. During the quarter, Sri Lanka secured the much-awaited International Monetary Fund Extended Fund Facility Agreement. Although the implementation of the reforms and debt restructuring contained in the agreement would be challenging endeavours, the successful completion would set Sri Lanka on a sustainable growth path. Dialog is sustaining its operations in this challenging period and will continue to monitor the situation and respond accordingly.

- **Nepal:** Revenue declined by 8.6% to RM310.0 million mainly due to lower prepaid, interconnect and International Long Distance ("ILD") revenue. EBITDA fell by 7.2% to RM172.3 million, flow through from lower revenue. PAT increased by 6.9% to RM36.0 million, due to lower depreciation and amortisation, lower foreign exchange losses and lower taxes, partially offset by lower top lines.
- **Cambodia:** Revenue fell by 6.1% to RM396.9 million due to lower prepaid and device revenue. Consequently, EBITDA fell by 3.5% to RM225.9 million. PAT grew by 12.5% to RM107.0 million, mainly due to lower depreciation and amortisation, lower foreign exchange losses, higher one-off gains from government grant and share of profits from associates as opposed to share of losses from associates in Q4'22, partially offset by lower top lines and higher taxes.
- **Fixed Broadband (Indonesia):** Revenue declined by 19.2% to RM281.6 million, mainly impacted by higher churn and lower one-off revenue as there was one-off Data Communications Service ("DCS") revenue recorded in Q4'22. Consequently, EBITDA decreased by 9.7% to RM122.0 million. PAT fell by more than 100% to a loss of RM17.0 million, mainly flow through from lower top lines and higher finance costs, partially cushioned by foreign exchange gains as opposed to foreign exchange losses in Q4'22, and lower taxes.



1. Review of Performance (continued)

(b) Comparison with Preceding Quarter's Result (Q1'23 vs Q4'22) (continued)

Geographical Highlights (continued)

- **Infrastructure:** Revenue decreased by 4.8% to RM644.1 million, impacted by slower project progress. EBITDA grew by 17.1% to RM447.8 million, driven by lower operating costs and lower impairment of receivables. PAT fell by more than 100% to a loss of RM15.8 million, due to foreign exchange losses from USD denominated loans and working capital as opposed to foreign exchange gains in Q4'22, and higher taxes, partially cushioned by higher EBITDA and lower depreciation and amortisation.

Myanmar is one of the infrastructure segment's operating footprint and it represents approximately 4% of Group's net assets. Since the state of emergency announced on 1 February 2021, 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.

- **Digital (ADA):** Revenue decreased by 33.2% to RM149.1 million, primarily due to lower revenue share following contract renegotiation with XL. EBITDA fell by 91.0% to RM4.0 million, mainly flow through from lower revenue. PAT declined by more than 100% to a loss of RM3.9 million, impacted by lower top lines and foreign exchange losses in Q1'23 as opposed to foreign exchange gains in Q4'22, partially cushioned by lower depreciation and amortisation and taxes.
- **Digital (Boost):** Revenue fell by 68.8% to RM30.8 million due to lower monetization of marketing assets versus preceding quarter and there was one-off digital platform revenue in Q4'22. EBITDA at a loss of RM41.5 million, flow through from lower revenue. PAT at a loss of RM53.1 million, impacted by lower top lines due to seasonality nature of the business (where revenue is stronger in Q4'22 as a result of higher promotion and advertisement activities by partners and merchants).



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

2. Headline Key Performance Indicators (“KPIs”) for the Financial Year Ending 31 December 2023

On 23 February 2023, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2023. The Group’s 2023 Headline KPIs announced were as below:

	FY 2023 Headline KPIs @ Constant rate¹
Revenue Growth ²	Mid single Digit
Earnings before Interest, and Tax (“EBIT”) Growth	High single Digit

Notes:

¹ Constant rate is based on FY22 Average Forex Rate (e.g. 1 USD = RM4.397)

² Revenue is based on revenue excluding device

The Group’s revenue growth in Q1’23 was largely contributed by all OpCos except for Dialog in Sri Lanka, Robi in Bangladesh, Ncell in Nepal and ADA. EBIT however was impacted by incremental depreciation and amortisation from Link Net, XL in Indonesia and EDOTCO. PATAMI improvement was supported by growth at the topline and lower forex losses from USD denominated borrowings.

Year on year (Q1’23 versus Q1’22), XL in Indonesia and Robi in Bangladesh have their performance lifted by favorable industry data growth and ARPU improvement. Amidst the macroeconomic crisis in Sri Lanka, Dialog’s revenue growth remained resilient, whilst profitability was affected by continued cost escalation. Ncell in Nepal continues to face challenges as data growth has not been sufficient to offset the declining voice segment, impacted by lower interconnection rate and minutes of usage (MoU). Smart in Cambodia continues to deliver another quarter of strong operational performance on the back of margin expansion.

On the digital businesses front, Boost continues to benefit from accelerated digitalisation amongst consumers and businesses from its payment and financing segment; conversely, ADA’s revenue has declined following renegotiation of revenue share contract with a key client. EDOTCO continues to record strong topline growth, reaping the benefits from its inorganic ventures in Philippines and Indonesia. Despite continued growth in homes passed, Link Net’s profitability has been impacted by higher churn and cost.

Challenging macro environment persist in frontier markets, whilst Indonesia fixed broadband market offers exciting growth opportunities. On balance, the Board of Directors believe that the Group’s performance for the financial year ending 31 December 2023 to be broadly in line with headline KPIs.



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

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 period ended 31 March 2023.

4. Revenue

	Current and Cumulative Quarter	
	31/3/2023	31/3/2022
	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	205,029	237,897
- over time	4,790,176	4,435,200
<u>Revenue under other MFRS:</u>		
Lease and services of passive infrastructure	369,706	301,311
Financial institution interest income	13,805	9,482
	5,378,716	4,983,890

5. Taxation

The taxation charge for the Group comprises:

	Current and Cumulative Quarter	
	31/3/2023	31/3/2022
	RM'000	RM'000
Income tax	135,297	116,050
Deferred tax	(8,196)	30,102
Total taxation	127,101	146,152

The current quarter and financial period to date's effective tax rate of the Group are higher than the statutory tax rate mainly due to non-deductible expenses, varying tax regimes and blended statutory tax rates.



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

6. Status of Corporate Proposals

(a) Proposed Combined Operations of Dialog Axiata Plc (“Dialog”) and Bharti Airtel Lanka (Private) Limited (“Airtel Lanka”)

On 2 May 2023, Dialog, a subsidiary of the Company held via Axiata Investments (Labuan) Limited announced that Dialog, the Company and Bharti Airtel Limited (“Airtel”) have entered into a binding term sheet to combine operations of Airtel Lanka, Airtel’s wholly owned subsidiary with Dialog.

The proposed transaction envisages Airtel being granted a stake in Dialog, representing the fair value of Airtel Lanka. Airtel would accordingly be issued new shares of Dialog upon completion of the transaction.

Discussions with respect to the proposed transaction are ongoing between the parties and also with the relevant regulatory authorities as per applicable laws and regulations. The proposed transaction is subject to signing of definitive agreements and necessary closing conditions including applicable regulatory and shareholder approvals.

Other than the above, there was no other corporate proposal announced but not completed as at 18 May 2023.

7. Group’s Borrowings and Debt Securities

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

	31 March 2023		31 December 2022	
	Current	Non-current	Current	Non-current
	RM'000	RM'000	RM'000	RM'000
Secured	401,424	2,706,955	361,942	2,677,548
Unsecured	6,872,059	15,874,569	6,726,186	15,669,956
Total	7,273,483	18,581,524	7,088,128	18,347,504

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

Foreign Currencies	31 March 2023	31 December 2022
	RM'000	RM'000
USD	14,792,274	14,319,900
IDR	4,384,872	4,864,119
BDT	414,624	378,759
SLR	589,119	231,270
NPR	634,979	652,766
PHP	1,958,277	1,900,965
Others	67,481	80,162
Total	22,841,626	22,427,941



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

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 March 2023		31 December 2022	
	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	795,474	2,525	790,200	(12,882)
- > 3 years	4,419,300	(80,226)	4,390,000	(142,564)
<u>Interest rate swaps:</u>				
- < 1 year	-	976	-	9,940
- 1 - 3 years	1,104,825	7,105	1,097,500	3,844
<u>Forward:</u>				
- < 1 year	-	15	-	(52)
- 1 - 3 years	353,544	(5,344)	351,200	(6,363)
<u>Call option:</u>				
- > 3 years	5,171	7,824	5,136	2,311
Total		(67,125)		(145,766)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2022 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 period to date.



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

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 (RM171.3 million) [the earlier show cause letter dated 23 February 2012 for BDT6,549.9 million (RM270.6 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 (RM117.8 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”).



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

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 (RM382.0 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 (RM294.1 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.



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

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 (RM37.6 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 (RM48.1 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 (RM308.2 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 (RM151.9 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 (RM16.3 million) in relation to VAT of BDT368.6 million (RM15.2 million) and supplementary duty payment of BDT25.7 million (RM1.1 million) based on Robi's audited financial statements.



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

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 (RM54.0 million) in relation to VAT on revenue sharing.
- (iv) the fourth show cause notice is on BDT2,081.2 million (RM86.0 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 (RM358.3 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.



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

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 (RM150.2 million) to which Robi is challenging:

- (i) the demand notice for the period of March 2012 to April 2013 is for BDT830.6 million (RM34.3 million).
- (ii) the demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM24.7 million).
- (iii) the demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM41.0 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 (RM29.2 million).
- (vi) the demand notice for the financial years of 2010 to 2012 is for BDT466.9 million (RM19.3 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.



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

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 (RM93.9 million) and interest of BDT378.2 million (RM15.6 million);
- (ii) for the assessment year 2014-2015, BDT2,246.3 million (RM92.8 million) and interest of BDT414.4 million (RM17.1 million); and
- (iii) for the assessment year 2015-2016, BDT2,263.2 million (RM93.5 million) and interest of BDT295.3 million (RM12.2 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 (RM93.8 million) in retirement benefits and compensation, allegedly owed to MUA. The case is currently pending before the Court.



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

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 (RM0.9 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 (RM56.9 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 (RM13.5 million) and a corporate guarantee for SLR3,200.0 million (RM43.4 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 (RM157.3 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.



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

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 (RM1,310.2 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 (RM1,778.9 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 (RM752.9 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”).



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

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 was concluded on 22 April 2022 and the Tribunal declared the proceedings closed on 21 March 2023. The award is expected to be delivered by 31 July 2023.

(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 (RM4,287.7 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 Supreme Court (“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 (RM1,940.5 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 July 2023.



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

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 period to date.

12. Earnings Per Share (“EPS”)

(a) Basic EPS

	Current and Cumulative Quarter	
	31/3/2023	31/3/2022
Profit/(Loss) attributable to owners of the Company (RM'000)		
- continuing operations	73,850	(301,594)
- discontinued operations	-	258,620
	73,850	(42,974)
Adjusted weighted average number of ordinary shares in issue ('000)	9,177,637	9,175,289
Basic EPS (sen):		
- continuing operations	0.8	(3.3)
- discontinued operations	-	2.8
	0.8	(0.5)

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 period to date.



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

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.

	Current and Cumulative Quarter	
	31/3/2023	31/3/2022
Profit/(Loss) attributable to owners of the Company (RM'000)		
- continuing operations	73,850	(301,594)
- discontinued operations	-	258,620
	73,850	(42,974)
Weighted average number of ordinary shares in issue ('000)	9,177,637	9,175,289
Adjusted for diluted effect of Axiata PBLTIP ('000)	7,152	8,141
Adjusted weighted average number of ordinary shares ('000)	9,184,789	9,183,430
Diluted EPS (sen):		
- continuing operations	0.8	(3.3)
- discontinued operations	-	2.8
	0.8	(0.5)



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

13. Analysis of Consolidated Profit and Loss

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

1 st Quarter and Financial Period Ended	2022		
	Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000
Revenue	4,983,890	1,486,061	6,469,951
Operating costs:			
- depreciation, impairment and amortisation	(1,608,352)	(252,191)	(1,860,543)
- foreign exchange losses	(241,187)	(40)	(241,227)
- domestic interconnect, international outpayment and other direct costs	(449,868)	(75,501)	(525,369)
- marketing, advertising and promotion	(476,450)	(60,898)	(537,348)
- other operating costs	(1,417,339)	(566,176)	(1,983,515)
- staff costs	(374,890)	(124,558)	(499,448)
- impairment on financial assets, net	(19,064)	(6,744)	(25,808)
Other gains/(losses) - net	11,511	(2)	11,509
Other income - net	30,184	15,851	46,035
	<u>438,435</u>	<u>415,802</u>	<u>854,237</u>
Finance income	44,836	(8,101)	36,735
Finance costs	(368,691)	(34,569)	(403,260)
Foreign exchange losses on financing activities	(235,657)	-	(235,657)
	<u>(604,348)</u>	<u>(34,569)</u>	<u>(638,917)</u>
Joint ventures			
- share of results (net of tax)	(1,986)	-	(1,986)
Associates			
- share of results (net of tax)	(799)	3,950	3,151
(Loss)/Profit before taxation	<u>(123,862)</u>	<u>377,082</u>	<u>253,220</u>
Taxation	(146,152)	(116,359)	(262,511)
(Loss)/Profit for the financial period	<u>(270,014)</u>	<u>260,723</u>	<u>(9,291)</u>
(Loss)/Profit for the financial period attributable to:			
- owners of the company	(301,594)	258,620	(42,974)
- non-controlling interest	31,580	2,103	33,683
	<u>(270,014)</u>	<u>260,723</u>	<u>(9,291)</u>



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

14. Qualification of Preceding Audited Financial Statements

The 2022 Audited Financial Statements were not subject to any qualification.

15. Dividend Proposed

There is no dividend proposed for this current quarter and financial period to date.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
25 May 2023