



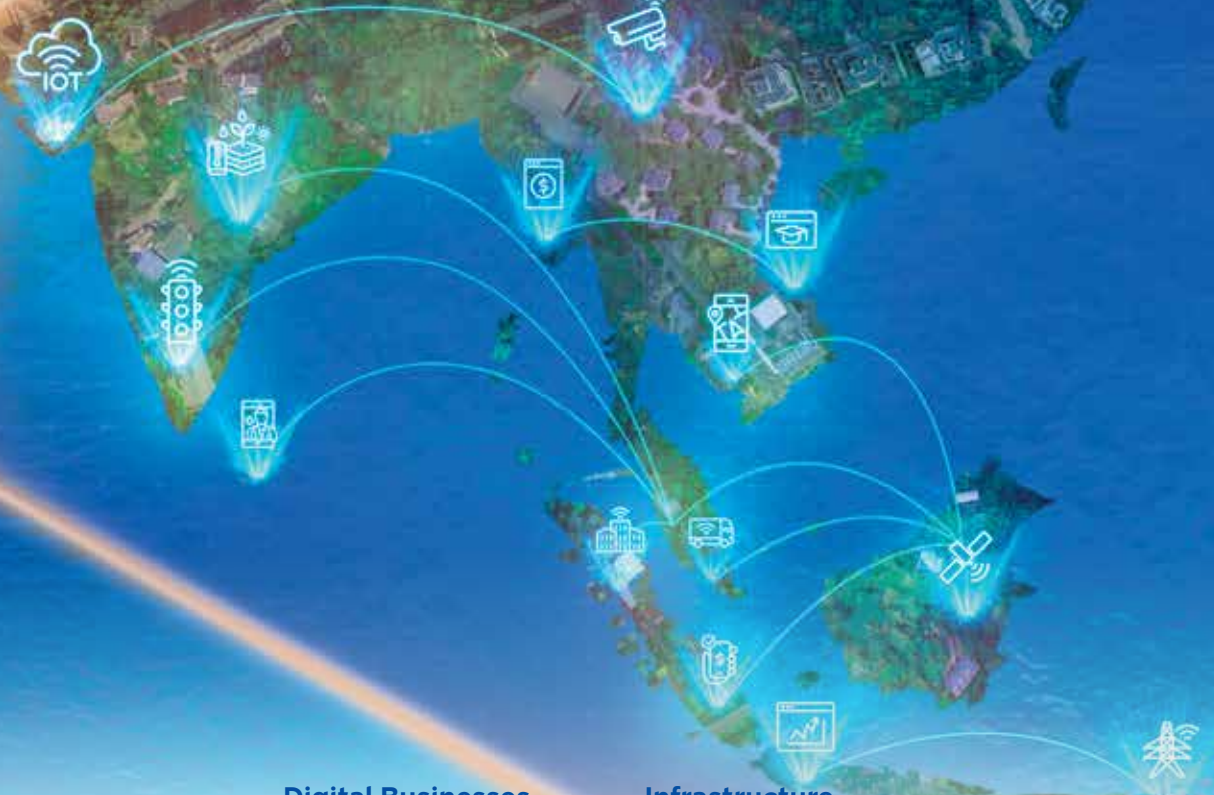
Advancing Asia

INTEGRATED ANNUAL REPORT 2021



Advancing Asia Sustainably

We are progressing towards becoming The Next Generation Digital Champion by encouraging digital inclusion across our footprint spanning ASEAN and South Asia. In 2022, we are accelerating on climate action by launching our Net-Zero Carbon Roadmap.



Digital Telcos



Digital Businesses



Infrastructure



Scan to view our Year In Review video



Delivering Value To Shareholders

Revenue
RM25.9 billion ▲
(2020: RM24.2 billion)

EBITDA
RM11.4 billion ▲
(2020: RM10.7 billion)

PATAMI
RM0.8 billion ▲
(2020: RM0.4 billion)



A Trusted Digital Partner Connecting Societies

163.1 million mobile customers
across ASEAN and South Asia

Enterprise services for
~ 185,000 businesses

Boost Life eWallet users
9.7 million
~ 439,000



Supporting Governments And Communities

USD11.1 billion GDP contribution

USD5.0 billion invested in capex and opex

Supported
~ 0.7 million jobs across Asia

USD1.7 billion



Building Modern, Agile And Digital Talents

Diverse Talent Factory of
13,181 employees

A highly skilled pool of regional
Digital, Analytics and AI talents

Collective Brain promoting hyper-collaboration and co-creation between our diverse regional talents



Minimising Environmental Impact

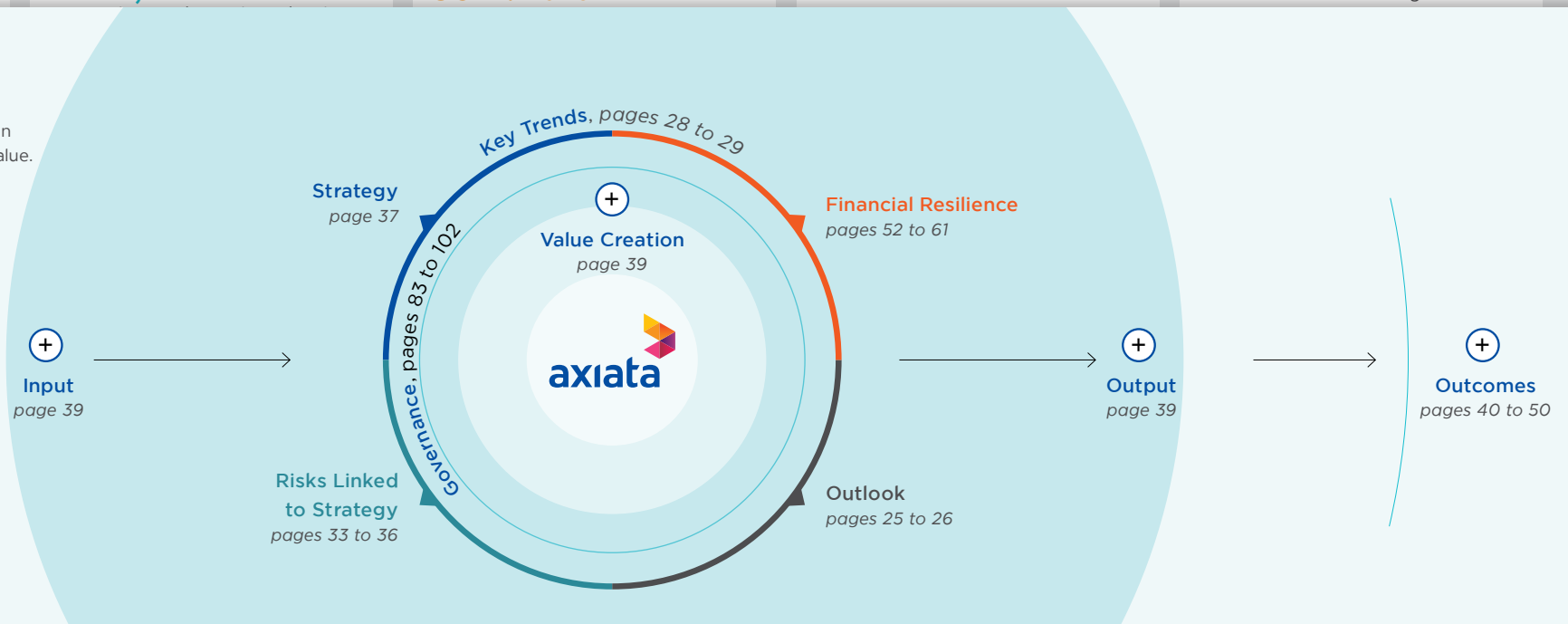
Launched
Axiata Net-Zero Carbon Roadmap towards achieving net-zero by 2050 and 45% reduction of emissions from a 2020 baseline by 2030

Signed the
Science Based Target Initiative Business Ambition Pledge for 1.5°C

This is Axiata's Value Creation Model (VCM) graphic. The VCM graphic will guide you on where you can find particular sections within this report which explains how we create value.

Our Six Capitals

- FC** Financial
- src** Social & Relationship
- HC** Human
- MC** Manufactured
- IC** Intellectual
- NC** Natural





Scan to view our Year In Review video



Delivering Value To Shareholders

Revenue
RM25.9 billion ▲
(2020: RM24.2 billion)

EBITDA
RM11.4 billion ▲
(2020: RM10.7 billion)

PATAMI
RM0.8 billion ▲
(2020: RM0.4 billion)

Cost Savings
RM2.0 billion ▲
(2020: RM1.8 billion)

Dividend Per Share
9.5 sen ▲
(2020: 7.0 sen)



A Trusted Digital Partner Connecting Societies

163.1 million mobile customers across ASEAN and South Asia

Enterprise services for
~ 185,000 businesses

Boost Life eWallet users
9.7 million

~ 439,000 Boost Biz merchants in Malaysia

~ 122,000 Boost Indonesia merchants

ADA helping
> 3,300 clients in 10 countries across Asia Pacific grow their market share

> 44,000 owned and managed towers in 8 countries



Supporting Governments And Communities

USD11.1 billion GDP contribution

USD5.0 billion invested in capex and opex

Supported
~ 0.7 million jobs across Asia

USD1.7 billion total taxes and fees paid to governments

Pledged
RM115 million over the next 10 years to Axiata Foundation

Supporting
45 technopreneurs through Digital Innovation Funds in 4 countries



Building Modern, Agile And Digital Talents

Diverse Talent Factory of
13,181 employees

A highly skilled pool of regional
Digital, Analytics and AI talents

Collective Brain promoting hyper-collaboration and co-creation between our diverse regional talents

LEAP Multi-year programme as a catalyst to drive digitisation and innovation

Setting the tone with
AxiataCares at Axiata to nurture employees' wellbeing, health and safety, career and personal growth, and connectivity to communities

Signed the
United Nations Women's Empowerment Principles



Minimising Environmental Impact

Launched
Axiata Net-Zero Carbon Roadmap towards achieving net-zero by 2050 and 45% reduction of emissions from a 2020 baseline by 2030

Signed the
Science Based Target Initiative Business Ambition Pledge for 1.5°C

Won the Energy Management category at the
Sustainable Business Awards Malaysia 2020/2021

- testament of our Digital Telcos' green innovation to reduce carbon intensity

edotco's regional green commitment -
63%¹ reduction in carbon footprint

edotco planted
~ 38,500 trees in 6 countries



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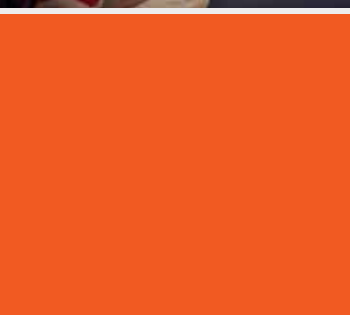
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Enabling Smart Security

Utilisation of 5G technology to provide IoT solutions to enhance island-wide security in Pulau Langkawi, Malaysia

CELCOM'S 5G SAFETY AND SECURITY SMART CITY SOLUTIONS



Overview

About This Report

Reporting Philosophy

In line with our purpose of Advancing Asia, Axiata Group Berhad (Axiata) is transforming societies across our footprint through our connectivity and digital solutions. Our reporting philosophy is grounded in our aim to provide our stakeholders with transparent, relevant and integrated information that will enable them to make better and more informed decisions about Axiata. We have developed our 2021 Reporting Suite in line with our stakeholders' value creation expectations.

Scope and Boundary

Our Integrated Annual Report (IAR) 2021 covers the strategic business activities and outcomes of our Triple Core Businesses of Digital Telcos, Digital Businesses and Infrastructure within our 11 markets of operation in ASEAN and South Asia. It spans the period of 1 January 2021 till 31 December 2021 and includes significant subsequent events up to 31 March 2022.

Materiality

Our materiality assessment was conducted in line with Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements, and incorporates our stakeholders' inputs as well as the business' perspectives. In order to assess the material issues that impact our ability to create value over the short, medium and long term, we have included risks identified through our risk management process. Throughout this IAR, we present our strategic responses to these material issues.

Enhancing our Environmental, Social and Governance (ESG) Disclosures

Sustainability reporting combines economic performance, social responsibility and environmental commitments. This requires an organisation to have a business strategy that incorporates ESG elements to drive sustainable long-term growth.



The United Nations Sustainable Development Goals (UN SDGs)

We remain committed to the UN SDGs, and doing our part in alleviating global environmental and social issues as a leading regional telecommunications and digital conglomerate. Through various sustainability initiatives we are contributing to advancing SDG 4 on Quality Education and SDG 13 on Climate Action as key impact areas throughout our footprint.



FTSE4Good Bursa Malaysia (F4GBM) Index

Axiata remains a constituent of the F4GBM Index series following our December 2021 review which resulted in a 4-star ESG Grading Band¹. Similarly, our FTSE Russell ESG score improved from 3.1 to 3.4 during the year. 2021 was also the year which saw Axiata's inaugural listing as a constituent of the FTSE4Good Bursa Malaysia Shariah Index.



Global Reporting Initiative Standards

We align our sustainability disclosures with GRI Standards and continue to be guided by GRI sustainability disclosure reporting principles in terms of content and quality. Our aim is to provide transparent, cohesive and comprehensive disclosures to our regional stakeholders.



Science Based Target Initiative (SBTi)

Axiata is the first telecommunications company in Malaysia to commit to SBTi corporate net-zero standards. We have undertaken the setting of long-term science-based targets to reach net-zero emissions no later than 2050, with an intermediate target of 45% reduction in operational emissions by 2030.



Carbon Disclosure Project (CDP) Worldwide

Each year, Axiata participates in the CDP assessment. As of 2021, Axiata's CDP rating was D, reflecting further areas to improve on. We are leveraging our insights on best practices and have identified areas to improve our climate action efforts. The launch of our Net-Zero Carbon Roadmap in 2022 and alignment with SBTi is a significant step towards this end.



MSCI ESG Rating

Our focus on maintaining our MSCI ESG Rating has enabled us to retain our reputable ranking on the global index. In 2021, our MSCI ESG rating increased to 'AA' (Leader) from the position of 'A' (Average) which we had held for a five-year period previously.



Sustainability Accounting Standards Board (SASB)

We have committed to working towards aligning our sustainability disclosures according to the SASB Standards for the Telecommunications Industry. In line with this, we have begun organising our SASB Telco indicators in order to publicly disclose SASB standards in our future reports.



Task Force on Climate-related Financial Disclosures (TCFD)

We look forward to embarking on our TCFD journey in 2022 to help us understand the implications, risks and opportunities that climate change could have on our business operations across our regional markets. Through the adoption of TCFD recommendations, we seek to further advance our robust and future-proofed investment proposition and use our insights to guide the execution of Axiata's Net-Zero Carbon Roadmap.



Note: ¹ The 4-star ESG Rating refers to the Top 25% by ESG Ratings amongst public listed companies in FBM EMAS

About This Report

Reporting Suite

Integrated Annual Report 2021



-  Printed Version
-  Online Version

Disclosures



- Management Discussion & Analysis:
- Leadership Insights
 - Our Strategy
 - How We Create Value
 - Financial Resilience
 - Axiata's Operating Companies
 - Abridged Audited Financial Statements
 - Corporate Governance Overview Statement

Reporting Frameworks

- Malaysian Code on Corporate Governance 2021
- Bursa Malaysia Main Market Listing Requirements
- Companies Act 2016
- Value Reporting Foundation/International Integrated Reporting Council's (IIRC) International Integrated Reporting <IR> Framework
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- FTSE4Good Bursa Malaysia requirements

Governance & Audited Financial Statements 2021



-  Printed Version
-  Online Version

Disclosures

- Governance & Compliance Documents
- Full Directors and Management Profiles
 - Statement on Risk Management and Internal Control
 - Board Audit Committee Report
 - Additional Compliance Information

Financial Statements

- Directors' Report
- Audited Financial Statements
- Independent Auditors' Report

Reporting Frameworks

- Malaysian Code on Corporate Governance 2021
- Bursa Malaysia Main Market Listing Requirements
- Companies Act 2016
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)

Sustainability & National Contribution Report 2021



-  Online Version

Disclosures

- Sustainability Framework
- Sustainability Governance
- Sustainability Material Matters (Management Approach and FY2021 Initiatives)
- Our Commitments
- Third-Party Assurance

Reporting Frameworks

- Bursa Malaysia Sustainability Reporting Guide
- GRI Standards (Core)
- FTSE4Good Bursa Malaysia requirements
- AA1000 Stakeholder Engagement
- ISAE 3000 (Revised) - Limited Assurance Engagement

Forward-Looking Statements

Our business operates in a volatile landscape and is therefore subject to external events that could result in actual future performance differing from those projected in the forward-looking statements throughout this IAR.

Assurance

Our Audited Financial Statements (AFS) are disclosed in the Governance and Audited Financial Statements 2021 and have been fully audited. Limited assurance has been provided on selected disclosure(s) within our Sustainability and National Contribution Report (SNCR) 2021.

Approval by the Board

The Board of Directors (Board) applied its collective mind to ensure the integrity of this IAR as guided by the IIRC's International <IR> Framework and other disclosure requirements:

- Tan Sri Shahril Ridza Ridzuan
- Dato' Izzaddin Idris
- Dato Dr Nik Ramlah Nik Mahmood
- Dr David Robert Dean
- Khoo Gaik Bee
- Thayaparan S Sangarapillai
- Tan Sri Dr Halim Shafie
- Ong King How
- Syed Ali Syed Salem Alsagoff
- Nurhisham Hussein

Images

The Axiata Prism featured on the covers of these reports and section dividers symbolise our catalytic role in helping societies embrace digitalisation for improved outcomes. With its solutions, programmes and infrastructure, Axiata's transformative impact drives productivity, enables digital inclusion and empowers communities to benefit from new opportunities to build a more sustainable future.

Improvements in Axiata's IAR 2021

- Creating Value For All In 2021 (on page 1): Value creation highlights
- About This Report (on page 4): Explaining our ESG disclosures
- Key Trends - Our Changing World (on pages 28 to 29): Linking external environment to Strategy and Risks
- Considering What Matters (on page 30): Linking our Material Matters to ESG commitments
- Our Value Creation Model (pages 39 to 50):
 - Contextualised explanation of our trade-offs
 - Linking our Outcomes with our Capitals, Material Matters, 4P Goals and Stakeholders
- Our Operating Companies (on pages 64 to 81):
 - ESG disclosures for our OpCos
 - Message from OpCo CEOs on 2021 key achievements

Scan the QR code to
view our IAR online



This Is Axiata

As a regional mobile telecommunications and digital conglomerate, Axiata is in a prime position to empower entire societies across our footprint of 11 countries in ASEAN and South Asia to seize the opportunities of the digital age. Our role is integral in helping Consumers, Homes and Enterprises

navigate the new normal towards a more sustainable future. We have developed differentiated and segmented offerings across our three core businesses of Digital Telcos, Digital Businesses and Infrastructure based on our deep insights into our customers' needs.

Our Purpose

Advancing Asia

Our Vision

The Next Generation Digital Champion by 2024

Our Values

Uncompromising Integrity, Exceptional Performance (UI.EP)

Our Goals

The 4Ps that Define Our Success



Performance

To be one of Asia's largest mobile telecommunications and digital groups in all financial metrics as we grow in market capitalisation and generate strong Return on Invested Capital against Cost of Capital



People

To be recognised as a top talent brand and an Asian Talent Factory



Partnership

To be the number one choice for customers and partners by offering superior customer experience while continuing to build trust with all our stakeholders



Planet & Society

To be recognised as a responsible Digital Champion, in creating a digitally inclusive and environmentally sustainable society

Our Footprint Across ASEAN and South Asia



Malaysia



Indonesia



Sri Lanka



Bangladesh



Cambodia



Nepal



Pakistan



Myanmar



Laos



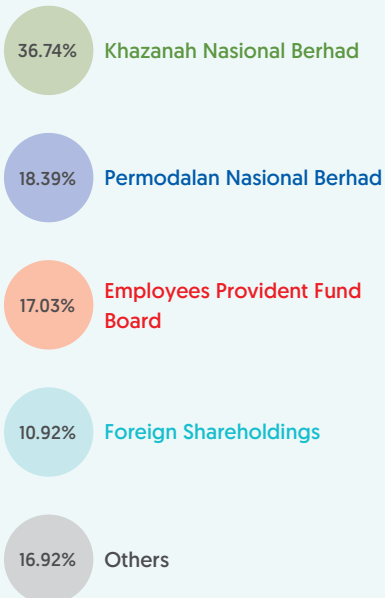
Thailand



Philippines

Shareholding Structure

(As at 31 March 2022)



Digital Telcos



Our Digital Telcos are leveraging the digital ecosystem to provide differentiated and segmented digital products and solutions for Consumers, Homes and Enterprises. They are answering Consumers' need for unlimited and nomadic digital mobility, providing

digital and technological convergence solutions as Homes shift to become the new centre of gravity, and enabling Enterprises to digitally transform in their quest to drive their growth.

Digital Businesses



Our full spectrum fintech player in Malaysia, with a growing presence in the Indonesia market, is helping grow the digital economy by advancing digital and financial inclusion for micro-SMEs via fully digitised financing, payments and insurance based on rich transaction data.



Our Data and Artificial Intelligence company designs and executes integrated digital, analytics, marketing and eCommerce solutions, and is helping brands drive their digital and data maturity towards achieving their business goals.

Infrastructure

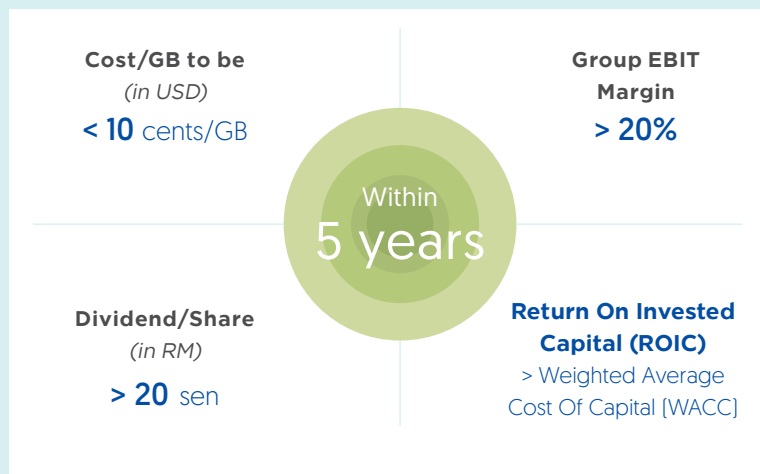


As at the end of 2021, edotco is the 7th largest TowerCo globally. Named the "2021 Asia Pacific Telecoms Tower Company of the Year" by Frost & Sullivan for the fifth consecutive year, it is acknowledged by Credit Suisse as one of three Malaysia-based ASEAN unicorns.

edoto is championing regional connectivity and bridging the digital divide in eight countries through next generation technology to provide seamless connectivity and contributing to the climate change agenda through green tower designs and renewable energy use.

Our Investor Proposition

On track to reposition as a High Dividend Company, driven by disciplined execution



IAR, In Conversation With The PGCEO and Financial Resilience on pages 14 and 52 to 61

A financially resilient business

- Operating Free Cash Flow of **RM1.9 billion**
- Strong cash balance of **RM7.0 billion**
- Resilient balance sheet
 - Gross debt/EBITDA of **2.6x**
 - Net debt/EBITDA of **2.0x**
 - Dividend per share of **9.5 sen** in 2021, progressing towards becoming a High Dividend Company by 2024
- Boost's maiden tranche of Senior Class A Medium Term Notes (MTN) rated **A1** by RAM Rating Services Berhad on the back of a commendable non-performing financing (NPL) rate of less than 3% from funds disbursed to finance SME's working capital, supply chain and invoice financing to help them grow their businesses

IAR, Outcome 1 on page 40

Driving structural changes to future-proof the Group

- Proposed Celcom-Digi merger
- Boost-RHB consortium formed for Digital Bank licence application in Malaysia
- Acquisition of majority shares in Link Net Indonesia
- RM246.4 million SoftBank Corp. investment in ADA
- ADA's acquisition of Awake Asia to deliver end-to-end eCommerce solutions
- Celcom's acquisition of Infront and Bridgenet, Dialog's of H One and XL Axiata's of Hipernet to strengthen Enterprise market proposition
- edotco's acquisition of Touch Mindscape and D'Harmoni assets to strengthen its presence in Malaysia, and proposed acquisition of approximately 1,000 towers from XL Axiata in Indonesia

IAR, In Conversation With The PGCEO and Our Operating Companies on pages 15 and 64 to 81

Acknowledged as an industry leader in ESG

- ESG Ratings on the FTSE4Good Bursa Malaysia Index **upgraded to 4-star¹**
- MSCI ESG Rating upgraded to **'AA'**
- 3rd place** in PwC Malaysia's Building Trust Awards 2021
- Committed to the United Nations Women's Empowerment Principles
- Established the Axiata Net-Zero Carbon Roadmap aligned to GSMA industry decarbonisation by 2050
- Signed the Science Based Target Initiative Business Ambition Pledge for 1.5°C
- Commence the adoption of Task Force on Climate-related Financial Disclosures' recommendations in 2022
- Axiata's Board of Directors ranking in Malaysia Board Diversity and Study Index 2021 conducted by the Institute of Corporate Directors Malaysia in collaboration with Willis Towers Watson:
 - 1st** in the Overall Top 312 Bursa-listed Companies category
 - 1st** in the Top 10 Companies by Market (≥ RM2 billion) companies

IAR, Chairman's Message on page 11

Harnessing the strength of our diverse talents across our regional footprint

- Highly skilled and capable leadership across all our regional businesses
- Regional Group-wide collaborations towards becoming The Next Generation Digital Champion via:
 - LEAP Programme
 - Collective Brain
- Continuously enhancing driving digital skills in line with IR 4.0 advancements as a Modern, Agile and Digital workforce
- Strong Employee Value Proposition - recognised by LinkedIn as one of the **Top 15 Companies** in Malaysia as the Best Place to Grow Your Career

IAR, In Conversation With The PGCEO on page 24

SNCR, Employees on pages 59 to 68

Continuously delivering value and growth

- Axiata's investor proposition ensures shareholders derive returns from growth and yield
 - Revenue **▲ 7%**
RM25.9 billion
 - EBITDA **▲ 7%**
RM11.4 billion
 - PATAMI **▲ 100%**
RM818.9 million
- Achieved Cost Excellence - total savings of **RM2.0 billion**
 - Opex savings - RM696 million
 - Capex savings - RM1.3 billion

IAR, Chairman's Message, In Conversation With The PGCEO and Financial Resilience on pages 10, 13 and 52 to 61

Our Continuing Response To COVID-19

- Contributed RM5 million in medical equipment to Malaysian medical frontliners via the Greater Klang Valley Special Task Force under the Ministry of Health



- Provided > 21,000 SIMs, and 300 laptops and dongles to > 21,000 students from lower income families to attend school online



- Bantuan Komuniti Prihatin gave food packs, devices and cash to > 3,500 low income earners, delivery riders and frontliners
- Donated food packs for > 12,000 students at institutions of higher learning via Bantuan Siswa Prihatin
- Distributed > 250 devices to frontliners to provide them Internet connectivity
- Provided vaccination assistance at five national vaccination centres
- Contributed oxygen tanks and concentrators to > 5 hospitals nationwide
- Continued extending free daily 1GB Internet for people to access education, employment and other online platforms
- Ensured employees safety and containment of COVID-19 through measures such as staff vaccination programmes, strict adherence to COVID-19 SOPs at the workplace, and equipping our frontliners with COVID-19 safety kits

- Held drive-through and walk-in vaccinations at XL's Indonesia Bangkit Vaccination Centre (SVIB) in Depok, West Java to simplify and speed up the vaccination process with > 61,000 people vaccinated
- XL's walk-in SVIB Medan, North Sumatra provided COVID-19 vaccinations with > 28,000 people vaccinated
- AXIS Vaccination Programme held vaccination drives at universities, institutes and schools with > 18,200 students vaccinated
- XL employees collaborated with Indonesian Red Cross to hold a convalescent plasma donation drive to help COVID-19 patients
- Provided 15% discount to upgrade XL Prioritas and free Internet packages for PRIO Flex reloads
- Gave free 2GB data daily for customers to access online learning apps for learning from home and MS Office 365 for WFH



- 'Dialog with Manusath Derana' provided relief to hospitals and families in areas under lockdown
- Partnered with Bank of Ceylon and Wavenet International to establish the National 1390 COVID-19 Integrated Home-based Care Solution, a digital platform and outreach centre for COVID-19 patient homecare
- Donated National Patient Bed Management Solution to the Ministry of Health to minimise admission time
- Enhanced urgently required critical care infrastructure in 18 hospitals
- Extended 'Suwa Diri', a free communication facility for critical care health workers nationwide



- Kept track of employee health daily through an employee health information app
- Ensured testing and treatment coverage for employees and family members suffering from COVID-19
- Supported the National Call Center-333 in combatting the pandemic crisis across the country
- Robi-10 Minute School held 'Lockdown Live' for students to prepare for national examinations and 'Government Live' in collaboration with Ministry of Education
- Via 'Sena Kallayan Sangstha', distributed food packs to lower income families
- Food support to > 6,600 sales field forces during Eid al-Adha
- Collaborated with NGOs Songjog and Footsteps to donate oxygen cylinders to the public
- Provided 1,500 data packs for doctors and medical staff to conduct COVID-19 tests
- Distributed masks and sanitisers in Chattogram through Chattogram City Corporation



- Distributed COVID-19 self-care kits to employees
- Ensured employees had the right tools and resources to WFH
- Continuously engaging with the team to ensure their wellbeing
- Increased employee insurance coverage for COVID-19



- Launched Smart Axiata Food Support Programme to raise funds and matched donations to send food packages to vulnerable families in remote areas
- Extended additional benefits to customers, including free calls, data and validity extension
- Used network to send automated messages that supported national COVID-19 awareness campaigns
- Plug-and-play Wi-fi service Smart @ Home supported customers by offering free deliveries of Smart @ Home
- Supported employees during lockdowns by providing food packages, emergency supplies and flexible work options
- Worked with Phnom Penh Municipality and Ministry of Post and Telecommunications to set up 21 vaccination centers capable of administering vaccinations to 4,200 people per day



- Provided 160 units of high flow oxygen concentrators to Ministry of Health and Population for distribution to different remote health institutions, health posts, isolation centres where it is not feasible to ensure supply of oxygen cylinders
- Collaborated with UNDP to manage COVID-19 vaccinations by providing free access to vaccination registration portal
- Supported the government in the dissemination of COVID-19 vaccination messages leveraging our infrastructure and network
- Collaborated with UNDP to manage COVID-19 vaccinations by providing free access to vaccination registration portal
- Launched Ncell COVID-19 Hotline Service with Dhulikhel Hospital providing 24/7 free health teleconsultation on COVID-19
- Continued giving free access to government hotlines 1133 and 1115



- Gave employees USD100 to improve their WFH experience, covering expenditure for home office furniture and gadgets, COVID-19 test kits, physical and mental health services, and other consumable items
- Unlimited leave days for self-care, personal learning, to support an unexpected event at home or loved one in need, and/or religious commitments. This was on top of fixed annual leave days provided under the pre-existing employment package
- Ensured the wellbeing of our employees during this pandemic by implementing initiatives such as 'Are You Okay' calls



- Provided food aid, hygiene supplies and medical aid across our footprint for > 5,000 people
- Bangladesh – meals for ~ 3,500 children in Dhaka, Narayanganj, Rangpur and Rajshahi District
- Malaysia
 - Food and essential items relief to ~ 1,000 families
 - Together with Immaret contributed 500 PPE sets to Klinik Kesihatan Gombak volunteers
 - COVID-19 and flood relief for 150 families in Kedah and 150 families in Sarawak
 - Collaborated with National Cancer Society Malaysia to roll out mobile COVID-19 vaccination programme benefitting 800 underprivileged people, old folks and the disabled in Kedah



Building Future Visionaries

Fostering curiosity, nurturing ambition and empowering young minds in Indonesia to create a better and brighter tomorrow with critical awareness and insightful questions

XL AXIATA FUTURE LEADERS



Leadership
Insights

Chairman's Message



Tan Sri Shahril Ridza Ridzuan

Dear Stakeholders,

On behalf of the Board of Directors (Board), I am honoured to present my first statement as Chairman of Axiata Group Berhad (Axiata), having been appointed on 1 January 2022.

It is heartening that Axiata has stayed true to its purpose of Advancing Asia throughout the year by creating significant value for its broad base of global stakeholders. In pursuit of its ambition to become The Next Generation Digital Champion by 2024, Axiata and its Group of Companies (collectively "the Group") remain on track in delivering the Axiata 5.0 Vision sustainably through strong business growth as well as operational and financial resilience.

[IAR, Our Investor Proposition on page 7](#)

[IAR, In Conversation With The PGCEO on page 13](#)

ADVANCING ASIA DIGITALLY

Continued Value Creation for Our Stakeholders

Axiata has consistently exemplified its commitment to include its regional communities in its value creation endeavours. With the pandemic firmly establishing connectivity and digital enablement as a necessity, Axiata is meeting the new increased demands of more than 163 million subscribers and over 185,000 enterprises by supporting communities and businesses through digitalised shifts.

As a valuable nation building partner, Axiata contributed a total of USD11.1 billion to the Gross Domestic Product of the 11 countries it operates in, and directly and indirectly supported some 700,000 jobs in a year which has seen rising unemployment. The Group is championing digital inclusion by grooming future Asian leaders through its regional programmes of Axiata Young Talent Programme (AYTP) in Malaysia, XL Future Leaders in Indonesia and SmartEdu in Cambodia. As at the end of 2021, a total of 2,693 Malaysian, 1,100 Indonesian and 41 Cambodian talented youths have been given the opportunity to further develop their potential, as well as grow their skillsets and knowledge to thrive in the digital economy.

In 2021, Axiata expanded its philanthropic outreach by pledging RM115 million for the next 10 years to Axiata Foundation to be channelled towards its Education pillar which includes its signature Axiata Young Talent Programme. The Foundation's coverage has also been expanded to include Community Investments - to enrich and empower communities through digital inclusivity - and Environment - to empower communities to do their part towards green and sustainable development, in alignment with Axiata's climate action strategy.

The Group is supporting technopreneurs in building resilient digital ecosystems that are becoming more relevant in the new normal through its venture funds spanning four countries. In 2021, the Axiata Digital Innovation Fund in Malaysia, Smart Axiata Digital Innovation Fund in Cambodia, Dialog Axiata Digital Innovation Fund in Sri Lanka and Robi Venture in Bangladesh have collectively provided funding to 45 digital start-ups and ventures to advance the development of local digital ecosystems in their respective countries.

Axiata has also maintained its growth trajectory towards becoming a compelling investment for shareholders and investors. In view of the Group's solid performance, a dividend of 9.5 sen per ordinary share for the year was announced, including the interim dividend of 4 sen per ordinary share declared for the financial period ended 30 June 2021.

[IAR, Our Continuing Response To COVID-19 on page 8](#)

[IAR, In Conversation With The PGCEO on page 13](#)

[IAR, How We Create Value on pages 39 to 50](#)

[SNCR, Social Value Creation on pages 58 to 84](#)



Nurturing young talents through our Axiata Young Talent Programme

Supported
~ **700,000**
jobs in a year which
has seen rising
unemployment

Contributed a total of
USD11.1 billion
to the Gross Domestic
Product of the 11
countries it operates in

Pledged
RM115 million
for the next 10 years to
Axiata Foundation



Scan to watch a video of the
Chairman's Message

Chairman's Message

Championing Sustainable Growth

Axiata is among industry leaders in adopting Environmental, Social and Governance (ESG) practices. Testament to this, in 2021 the Group's MSCI ESG Rating was upgraded to 'AA' from 'A', and its ESG Rating on the FTSE4Good Bursa Malaysia Index (FTSE4Good) from three-star to four-star¹. Axiata remains one of the Top 10 constituents by market capitalisation on FTSE4Good.

In addition, Axiata has taken on board recommendations of the Malaysian Code on Corporate Governance (MCCG) 2021 which has enhanced the Board's oversight on sustainability-related issues and considerations in discharging their governance function. The Sustainability Steering Committee continues to strengthen Group-wide alignment towards achieving common ESG objectives and goals. This has been executed within the Stakeholder Management Key Focus Area under the Operational Excellence Pillar of the Axiata 5.0 Vision.

With sustainability firmly embedded within the Axiata 5.0 Vision, it is now one of the considerations in evaluating both Group and OpCo CEOs' Performance Scorecards. Embedding sustainability-related Key Performance Indicators (KPIs) in the Performance Scorecard is a key driver for the execution of Axiata's sustainability strategy Group-wide across its regional markets.




Enhancing Digital Trust and Resilience

Considering how data usage has surged in the post-pandemic reality, Axiata has upheld its customers' right to data privacy. The Group's T.R.U.S.T. (Transparent, Rights, Use, Security and Transfer) principles are ingrained into its Privacy Policy, procedures and guidelines within the organisation and for third-party

partners. Personal data is only used for specifically stated purposes, and retained only for as long as reasonably required, while data analysis technologies employ techniques for anonymisation of the data. The common Group-wide policy adoption ensures that the same high standards are practiced regionally at all OpCos. This approach was a key driver in improving the Group's average Privacy Maturity Level by 91% to 2.67 in 2021 based on the Capability Maturity Model Integration (CMMI).

Axiata's Digital Trust and Resilience 2023 (DT&R2023) cyber security strategy has employed a comprehensive approach in protecting its digital assets by focusing on the synergy of function, Crown Jewel monitoring and protection, addressing new capabilities and adopting new technologies in being future fit and building a cyber savvy culture through awareness and training. This resulted in the Group levelling up its National Institute of Standards and Technology (NIST) Cyber Security Maturity to 3.7 in 2021 on the CMMI scale of 1 to 5, putting Axiata above the world average and regional averages of companies in Asia Pacific, Latin America and Europe.




Axiata continues to diligently monitor current and emerging risks within its regional operations. While none of the markets that the Group operates in currently regulate net neutrality, paid peering, zero rating and related practices, Axiata ensures that all its business practices in these areas are in full compliance with local anti-competition legislation and is continuously monitoring potential risks in this space.

-  **IAR**, Transparency & Accountability on pages 83 to 102
-  **SNCR**, Responsible Business Practices on pages 88 to 90
-  **GAFS**, Building Digital Trust Through Data Privacy and Cyber Security on pages 35 to 37

Committing to Climate Action

The telco industry has a unique role to play in addressing climate action by not just reducing emissions within its own operations, but also providing digital solutions that will enable our customers to achieve their emissions goals. With regards to the latter, Axiata's contributions are shaped by its investments in digital solutions and improved network capabilities.

The Group has stepped up on our commitment to achieve industry decarbonisation by 2050 in line with the GSMA's ambition. During the year, the Group developed its Net-Zero Carbon Roadmap and articulated its commitment to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Framework, both of which will be implemented in 2022. Axiata was also the first Malaysian telco to join the Science Based Targets Initiative (SBTi) Business Ambition for 1.5°C campaign in 2021.

-  **IAR**, In Conversation With The PGCEO on pages 16 to 17
-  **IAR**, Outcome 6 on pages 49 to 50
-  **SNCR**, Environmental Stewardship on pages 47 to 56



The Smart team in Cambodia participates in an annual tree planting initiative

Axiata's
**MSCI ESG Rating
upgraded
to 'AA'**
from 'A' in 2021

**FTSE4Good
ESG Ratings
upgraded to
4-star¹**
from 3-star

Group's average Privacy
Maturity Level based on
CMMI improved by
91% to 2.67
in 2021

Note: ¹ The 4-star ESG Rating refers to the Top 25% by ESG Ratings amongst public listed companies in FBM EMAS

Chairman's Message

Engaging and Developing Our Talents

In creating value for our people, our focus revolves around curating a Modern, Agile and Digital culture and enhancing Diversity, Equity and Inclusion whilst creating enabling mechanisms for employee wellbeing, professional and personal growth.

We have continued to refine the AxiataCares initiative, as part of our unique employer value proposition which embodies our philosophy of People First, Always. Adopting a holistic approach, AxiataCares caters for the employee experience through channels that nurture mutual trust between the employee and the company, fosters a conducive environment of partnerships and friendships amongst colleagues and enables them to meaningfully contribute to communities externally.


Significant efforts and resources are also directed at honing digital and innovation related competencies as well as talent development programmes to accelerate our people's development and leadership capabilities. Axiata FastForward, our virtual university platform featuring seven academies – Leadership and Management, Customer Experience, Technology, Sales and Marketing, Ways of Working, Finance and Business and Digital – curates learning journeys based on competencies to continuously upskill and reskill our people in line with becoming a Modern, Agile and Digital organisation. As a Group with regional presence, emphasis is also placed on building platforms to facilitate cross cutting collaborations and partnerships.

Diversity, Equity and Inclusion initiatives are gaining traction across the Group. To further infuse these values into Axiata's culture, it launched the Women of Axiata and Male Allies initiative for our people in March 2021, joined the 30% Club Malaysia in June 2021 towards increasing female representation at Board and senior levels, and signed the United Nations Women's Empowerment Principles Charter in February 2022. As an example of our commitment to advancing women in leadership, Axiata appointed four female executives into CXO² level roles across the Group in 2021.

As a positive indicator that we are tackling the right areas with our People and Culture initiatives, our Employee Engagement Survey for 2021 yielded a score of 91%, demonstrating a resilient and highly engaged workforce across the Group despite the challenging operating environments in our markets.

 [IAR, In Conversation With The PGCEO on page 24](#)

 [IAR, Outcome 2 on pages 41 to 42](#)

 [SNCR, Employees on pages 59 to 68](#)

Strong Leadership for Continuity of Vision

On behalf of the Group, I would like to record our deepest appreciation to Tan Sri Ghazzali Sheikh Abdul Khalid for his steady hand at the helm providing guidance to the Group throughout his tenure as a Board Member since 24 March 2008, and as Chairman from 1 November 2018 till his retirement on 31 December 2021.

His contributions have been numerous and outstanding as part of the founding Board that was responsible for shaping Axiata's rise from its humble beginnings into the globally recognised regional mobile telecommunications and digital conglomerate it is today, and we are immensely grateful for his stewardship and guidance.

On a personal note, I would like to thank Tan Sri Ghazzali for enabling a smooth leadership transition by providing me his constructive feedback and insights between the period of my appointment as an Independent Non-Executive Director on 29 November 2021 till the date he stepped down.

The Board is also heartened by the steady leadership that Dato' Izzaddin Idris has demonstrated in his first year as President and Group CEO, as he provides continuity in the execution of the Axiata 5.0 Vision. The Group's strong operating performance in 2021 is testament to this.

Axiata has followed through with its Board Refresh Programme to heighten its corporate governance practices by appointing Nurhisham Hussein as a Non-Independent Non-Executive Director effective 25 January 2022. We look forward to working closely with Nurhisham and are confident his strategic insights and knowledge will help the Group maintain its growth momentum.


I am deeply aware of the responsibility the Board carries in ensuring that we continue to deliver on Axiata's vision for the long term and look forward to working collaboratively with my fellow Board members to sustain the Group's value creation and growth trajectory.

 [IAR, Transparency & Accountability on pages 83 to 102](#)

Future-Proofing the Business

As the pandemic continues to exert an influence on global recovery and instability in global politics rises, Axiata treads into 2022 with cautious optimism. Having found its footing in serving the growing needs of digitalisation, Axiata is armed with a resilient balance sheet and a steady pipeline of corporate activities aimed at capturing new growth areas.

The era of 5G is unfolding across our region and with it, a new future of seamless and high-quality connectivity is set to redefine how we live, work and transact. As Axiata strides ahead to reposition the business and seize new growth, the Board is cognisant of significant shifts shaping the future of telco and digital service providers. We will be resolute in our efforts to ensure stringent monitoring and mitigation of risks. This is key to ensuring the business remains operationally resilient and agile to capture opportunities that will further secure Axiata's position as a trusted and reliable digital partner to all its stakeholders.

 [IAR, In Conversation With The PGCEO on page 19](#)

Acknowledgements

On behalf of the Group, our sincere appreciation goes to the governments and regulators of Axiata's markets of operation for their continuous support. To the Axiata Family's diverse regional talents, we are indebted to you for your outstanding performance in yet another challenging year. We extend our sincere gratitude to the Group's shareholders for their unfailing faith in Axiata's value creation abilities. As we step into 2022, Axiata reasserts its commitment to maintain its momentum on a sustainable value creation path for all its stakeholders.

Tan Sri Shahril Ridza Ridzuan
Chairman

In Conversation With The President & Group Chief Executive Officer



Dato' Izzaddin Idris

EXECUTING FOR NEXT

Axiata Group Berhad (Axiata or the Company) and its Group of Companies (collectively “the Group”) occupy a unique position to respond to next normal needs as countries accelerate their digitalisation efforts across its footprint. Unprecedented demand for data and converged services, fintech solutions and enterprise digitalisation, as well as the global sustainability agenda continue to shape Axiata Group’s evolution in line with its purpose of Advancing Asia. In embracing a holistic approach to deliver on its Purpose, Axiata Group is well placed to help societies reduce carbon emission levels through its mobile telecommunications technologies.

Tasked with steering this regional mobile telecommunications and digital organisation into a greener data and connectivity led future, we speak to Axiata’s President & Group Chief Executive Officer (PGCEO), Dato’ Izzaddin Idris to gain more insights on Axiata’s continuing plans to navigate emerging opportunities and secure sustainable growth. At the same time, Axiata is also balancing the constantly evolving dynamics of regulatory, technological, environmental and competitive factors to ensure sustained returns to its shareholders.

[IAR](#), Key Trends on pages 28 to 29



Scan to watch a video of the President & Group Chief Executive Officer’s Message

Progressing with the Axiata 5.0 Vision

1. How did Axiata’s strategy secure growth in 2021?

Upon finetuning our strategy to reset for a vastly different operating landscape beginning 2020, Team Axiata intensified our pace in 2021 to execute the 10 Key Focus Areas guided by Three Core Pillars of the Axiata 5.0 Vision which are Sustainable Growth, Operational Excellence and Structural Changes.

[IAR](#), Axiata 5.0 Vision on page 37

Whilst executing measures to secure future growth, management was intensely focused towards accelerating the business and ensuring cost excellence amidst challenging macroeconomic and regulatory factors, hyper-competition in the industry as well as continuing COVID-19 triggered uncertainties.

Internally, we ramped up digital transformation across the businesses to serve post-pandemic shifts as customers increasingly sought to interact and transact digitally with each other. Ultimately, the emphasis was on building effective sustainable business solutions across five core areas of Axiata’s digitisation framework namely:

- Product and Services
- External Interfaces
- Internal Processes
- Infrastructure and Platform
- Organisation and Culture

Ongoing efforts to inculcate the Modern, Agile and Digital mindset across Axiata Group, and the empathetic approach towards crafting our employee journeys enabled the team to adjust well to hybrid ways of working, a decision taken in the interest of prioritising employees’ safety and wellbeing throughout the unyielding pandemic environment across our markets. We remain on track towards building and sustaining Axiata as a high performing organisation that is rapidly transforming to become The Next Generation Digital Champion.

In ensuring a balanced outcome across our businesses, it was also heartening that Axiata maintained positive ratings in global sustainability indexes and benchmarks during the year, as we laid the foundations to launch our Net-Zero Carbon Roadmap in 2022. Across the footprint, our Operating Companies (OpCos) continue supporting their respective communities and governments in getting through challenges posed by COVID-19, as well as natural disasters and emergencies. We continued to contribute positively towards strengthening the digital ecosystems of the markets within which we operate. Here in Malaysia, we also expanded the scope and focus of Axiata Foundation to include Community Investments and the Environment, in addition to the existing Education focus.

In terms of performance, our OpCos contributed to a healthy expansion in Group revenue as they pivoted to cater to accelerated data demand, connectivity and digitalisation needs across the region. In constant currency, revenue excluding device (ex-device) expanded by 8.3%¹ to RM25.1 billion lifted by all OpCos except Ncell.

Staying the course in executing the 10 Key Focus Areas of the Axiata 5.0 Vision has enabled Axiata to deliver improvements across all metrics² as depicted in the charts that follow:



Notes: ¹ Financial results % growth at constant currency

² On a reported basis

In Conversation With The President & Group Chief Executive Officer

How did Axiata’s strategy secure growth in 2021? (cont’d)

Operational Excellence initiatives including our cost excellence programme, Collective Brain model, and leveraging on digitisation and analytics yielded results, as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) expanded by 8.5%¹ year on year (YoY) to RM11.4 billion mainly contributed by Celcom, Dialog, edotco and Axiata Digital Services (Axiata Digital)³.

Underlying PATAMI⁴ grew by 57.5%¹ to RM1.3 billion due to improved EBITDA across all OpCos, reduced losses from Axiata Digital and lower net finance cost, offset by accelerated depreciation of 3G assets in Celcom and Robi.

Driven by our cost savings initiatives, we surpassed internal targets to achieve total cost savings of RM2.0 billion, of which RM696 million was opex in nature, and RM1.3 billion from better capex management. However, Operating Free Cash Flow (OFCF) dropped 43.1% to RM1.9 billion largely due to XL’s accelerated capex and backlog capex at edotco.

Overall, Axiata closed the year with a resilient balance sheet as gross debt/EBITDA held at 2.6x and a healthy cash balance of RM7.0 billion. With this, we are able to confidently defend against market uncertainties, as well as capitalise on potential opportunities to further strengthen our value proposition in this digital era.

[IAR, Financial Resilience on pages 52 to 61](#)

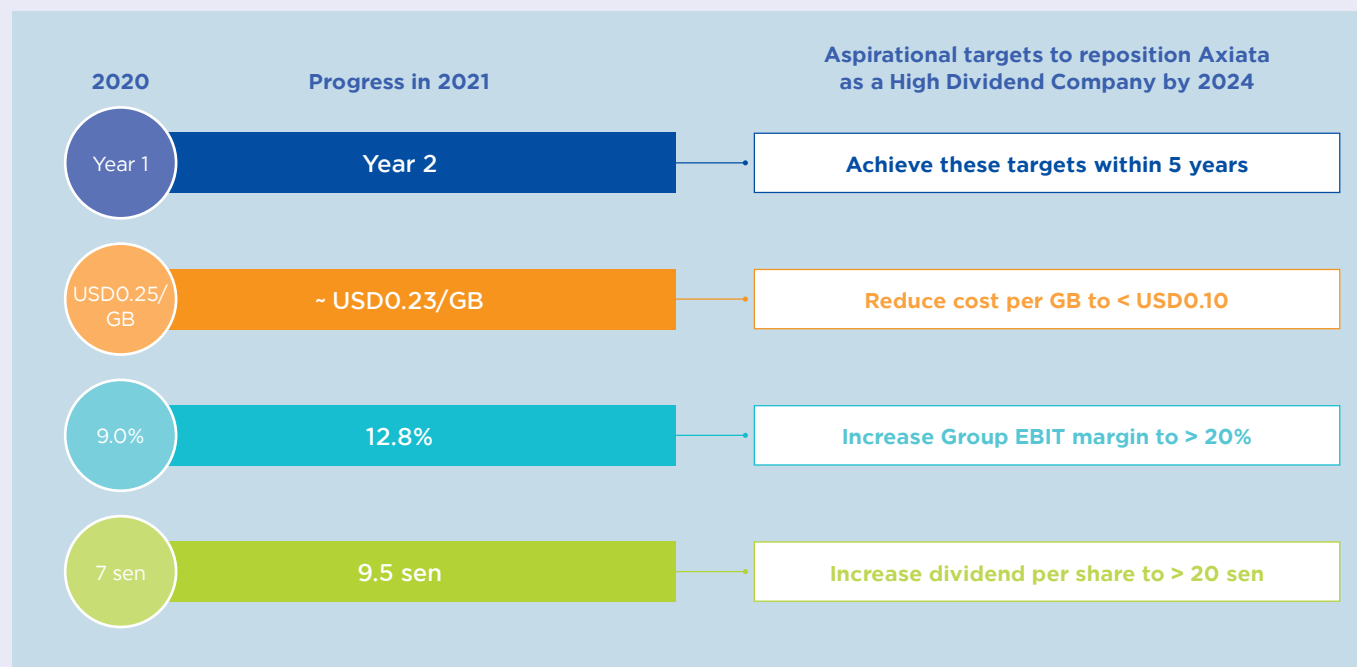
2. How is the Company tracking towards future-proofing Axiata Group?

Last year, I shared Axiata’s Investors/Shareholders perspective of 5:10:20:20 to reposition ourselves as a High Dividend Company.

Where do we stand today? I am pleased to report that we are tracking well, encouraged by the disciplined execution of initiatives aimed at producing results in these six focus areas:

1. Grow Revenue by > RM6 billion through contributions from mobile, enterprise, digital businesses and infrastructure
2. Reduce Opex growth by < RM3 billion on concerted efforts to improve data cost per GB and data margin, with voice expected to decline to less than 5% of total cost
3. Reduce Depreciation and Amortisation growth by < RM1 billion with the sunsetting of 3G networks and capex optimisation
4. Reduce Financing Cost by > RM100 million through cheaper funding, capitalising on the low interest rate environment in 2020 with the issuance of USD1.5 billion bonds
5. Keep Mobile Capex < RM5.5 billion (20% intensity) leveraging on Collective Brain initiatives especially from efficiencies identified and optimisation efforts around the Procurement and Network functions
6. Refine Financial Strategy through an optimised Capital Allocation Framework including alignment of OpCos’ dividend policy

Progress made in 2021 towards meeting our 2024 targets.



[IAR, Financial Resilience on pages 52 to 61](#)

Notes: ³ Established in 2014, Axiata Digital Services is the digital services arm of Axiata, whose digital business portfolio includes Boost and ADA

⁴ Underlying PATAMI excludes forex related (forex/derivative gains/losses, hedging cost) and others

In Conversation With The President & Group Chief Executive Officer

How is the Company tracking towards future-proofing Axiata Group? (cont'd)

In order to catalyse long-term value creation for our shareholders, Axiata continues to expand into adjacent businesses. Whilst the mobile business continues to be the foundation, we are also keenly seeking organic and inorganic growth opportunities in fixed, infrastructure, enterprise and digital.

Thus in 2021, Axiata Group embarked on a series of corporate activities to further secure our value proposition in supporting digital led recovery and growth.

Repositioning the business for new normal shifts

Proposed Celcom-Digi merger

- Synergistic benefits arising from the combination of scale, experience, competencies and financial strength of global telcos Telenor and Axiata, coupled with market knowledge of two well-established Malaysian companies
- To build a world-class Innovation Centre focusing on research and development, development of 5G use cases, supporting the local digital start-ups ecosystem and nurturing a knowledge-based workforce

Celcom's acquisition of Infront Consulting Group (M) Sdn Bhd and Bridgenet Solutions Sdn Bhd

- Enhanced Enterprise proposition with two acquisitions – Infront for Cloud services and managed networks capabilities and Bridgenet for cyber security and networking solutions

Proposed joint acquisition of Link Net with XL

- To drive future growth by leveraging on synergies between Link Net and XL through their combined positions in wireless communication services, sharing backbone and transmission networks and extensive customer base
- Well positioned to capitalise on the growing Enterprise market, and increased exposure to high Average Revenue Per User (ARPU) customers, as well as the fast growing fixed broadband market

Disposal of 5% stake in XL to Indonesian Investor Ferrymount Investments Ltd, a Special Purpose Vehicle between Procap Partners Ltd and Tiga Investments Pte Ltd

- Leveraging on the principals of Procap and Tiga Investments' extensive knowledge, experience, business partnerships, linkages to the digital ecosystem, and investments in and global capital markets to drive operational synergies and further develop digital and value-added services, as well as improve user experience

XL's proposed acquisition of PT Hipernet Indodata

- Enables XL to add to its Enterprise customer coverage and strengthen its product proposition

Dialog's acquisition of H One Private Ltd

- H One is the largest reseller of Microsoft enterprise solutions in Sri Lanka, and the acquisition is aimed at supplementing Dialog's wide range of Enterprise solutions suite

edotco's acquisition of Touch Mindscape

- Strategically adds a portfolio of approximately 1,000 tenanted towers to edotco's operations in Malaysia, with tower portfolio in the states of Melaka, Negeri Sembilan and Pahang having high co-location ratios of 2.4x⁵, 3.8x⁵ and 3.4x⁵ respectively along with long-term contracts in place, thus guaranteeing recurring cash flow into the future
- Strategic advantage of building towers in states it was unable to in the past
- Secures a strategic fibre network in the East Coast of Malaysia, backed by long-term customer contracts

Application for Digital Bank Licence by Boost Holdings Sdn Bhd (Boost) in partnership with RHB Banking Group

- Joint application submitted in June 2021
- Plans in place for regional expansion and potential monetisation of the fintech business

SoftBank Corp.'s investment in ADA

- Leveraging on SoftBank Corp.'s network of portfolio companies to provide digital marketing solutions
- Using funding and synergies to develop AI models for precision targeting, invest in content analytics, and establish data platforms to deliver insights and help businesses pivot for growth

ADA's acquisition of Awake Asia

- Integrated eCommerce practice marries Awake Asia's deep eCommerce expertise with ADA's media, creative and analytics solutions to drive online sales for brands through:
 - Digital marketing deeply linked to eCommerce revenue generation
 - Consumer data and analytics leveraged to uplift eCommerce sales
 - Reaching vast audiences in super apps and marketplaces

2022 Focus

- Completion of the Celcom-Digi merger upon receiving the relevant approvals and successful integration of the two businesses
- Completion of the Link Net acquisition with XL and offering customer-focused converged solutions for Homes and Enterprises in Indonesia
- Awaiting outcome of digital banking licence application and if successful, launching its services
- Boost and ADA's regional expansion in ramping up towards realising their unicorn status ambitions
- Alongside expansion in Malaysia and Indonesia, edotco will continue to explore portfolio optimisation opportunities in footprint countries in line with its growth plans

In Conversation With The President & Group Chief Executive Officer

3. With these targets, how is the PGCEO Scorecard structured towards delivering the Axiata 5.0 Vision?

The PGCEO's performance assessment is based on the "Balanced Scorecard" approach and comprises two differently weighted components - the Corporate Scorecard and the Strategic Key Performance Indicators (KPIs) - which are designed to address business and stakeholder needs dynamically whilst balancing short-term returns and long-term sustainability. For 2021, the two components were as follows:


1. 65% was derived from the Corporate Scorecard where the focus is on growth aspects of the business through metrics covering Revenue, Cash Flow, Profitability, Market Share and Customer Experience. These outcome-based, quantitative indicators were aimed at ensuring the rigor of execution to achieve short-term business targets against a challenging macroeconomic and industry environment
2. 35% was attributed to Strategic KPIs which covers Axiata's 10 Key Focus Areas. While a majority of the Strategic KPIs are outcome-based and quantifiable, selected KPIs within this component are qualitative in nature. Nonetheless, each of these KPIs were carefully selected to help future-proof the business and steer the organisation towards sustainable growth in the long run

These Corporate Scorecard and Strategic KPIs were cascaded to all OpCo CEOs and Axiata Senior Leadership Team Scorecards to ensure seamless alignment and accountability throughout the organisation. The foregoing framework has been in force for the past decade and is expected to continue in the foreseeable future.


During the year, the Board approved the inclusion of Sustainability as a Strategic KPI in line with the requirements of the Malaysian Code on Corporate Governance (MCCG) 2021. This is in addition to an existing Strategic KPI to drive the national development agenda through efforts to groom local talents and build digital entrepreneurs. In aligning with the Sustainability KPI, I am a member of the CEO Action Network (CAN) in Malaysia, contributing towards sustainability advocacy, capacity building, action and performance throughout the ecosystem.

In striving for customer satisfaction, significant emphasis is placed on the Voice of Customer KPI that I share with OpCo CEOs to track service levels, which is reflected in market scores such as the Net Promoter Score and Digital Reputation Score, among others.

In summary, my KPIs are focused on steering Axiata in its ongoing transition from a pure-play mobile business into a diversified mobile telecommunications and digital organisation driving digital inclusion and serving evolving connectivity needs as societies increasingly embrace the digital economy.

 [IAR, CAN Case Study on page 32](#)

 [IAR, Axiata 5.0 Vision on page 37](#)

 [IAR, Net Promoter Score and Digital Reputation Score on page 43](#)

Stepping up on our Environmental, Social and Governance (ESG) Commitments

4. What key ESG actions did you take in 2021?

Having established a strong foundation, especially under the social and governance pillars through our various national contribution initiatives since inception, Axiata is on track to develop a focused climate action plan to further strengthen its ESG responses. Among key actions taken in 2021 are:



Completion of the Group-wide carbon inventory exercise to audit, assess and capture the full impact of our operations and the ways in which we use energy



This will be the foundation enabling us to develop a Group-wide target to reduce carbon emissions aligned to the Science Based Target Initiative (SBTi). To support this agenda, the Axiata Net-Zero Carbon Roadmap will be launched in 2022




Formalised our net-zero target commitment by signing the SBTi business pledge




Began preparatory work to embark on our Task Force on Climate-related Financial Disclosures (TCFD) journey

Acknowledging that our networks result in carbon emissions, the Chief Technology Officer (CTO) Council which represents all OpCos is taking into consideration our climate action agenda in the Network domain. Leveraging the Collective Brain model, they have incorporated efficient energy use to drive a common direction towards reaching both cost reduction and carbon emission targets. We are continuously seeking more efficient technologies that can be adopted to enhance our energy efficiency. Our direction moving forward is to deploy renewables as a source of energy where it is practical and cost efficient.

Additionally, Axiata's OpCos continued with their own environmental programmes. Many of our OpCos already have in place effective product end life management programmes that provide clear guidelines to improve material efficiency and reduce mobile e-waste. These include edotco's Carbon Neutrality Framework, Dialog's Waste Management Programme, Robi's e-Waste Recycling Programme, as well as Ncell's Resource and Waste Management Programme and its Waste Management Solution.

 [IAR, Outcome 6 on pages 49 to 50](#)

 [SNCR, Environmental Stewardship on pages 47 to 56](#)

In Conversation With The President & Group Chief Executive Officer

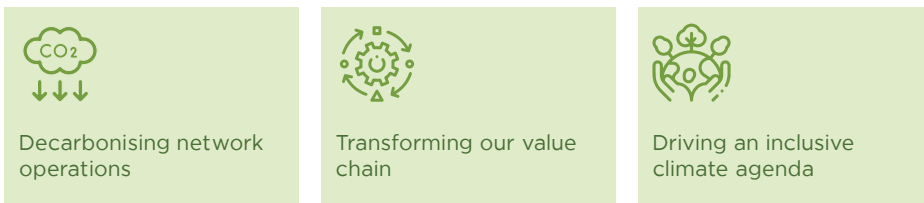
5. What is the motivation behind Axiata's SBTi commitment?

This is an investment for the future which if not done today, will entail a higher outlay later. The SBTi commitment is based on our desire to adopt widely accepted standards in emissions reductions and net-zero targets in line with climate science. As a mobile telecommunications and digital organisation with a vast footprint in both ASEAN and South Asia, our investment in network expansion is critical to bridge the digital divide. However, that comes with the price of an increasing carbon footprint and it is incumbent upon us to mitigate the environmental impacts of potentially higher energy consumption from our networks and operations, whilst also implementing innovative solutions to address our energy needs.

2022 Focus

- Launch the Axiata Net-Zero Carbon Roadmap to achieve net-zero emissions no later than 2050, with a near term 2030 target to reduce operational carbon emissions by 45% from the 2020 baseline

Our three-objective strategy for climate action is as follows:



- Embark on our TCFD journey to deep dive into our climate-related risks and opportunities and expand our net-zero commitment to Scope 3 emissions, which covers the entire value chain of our operations

IAR, Outcome 6 on pages 49 to 50

SNCR, Environmental Stewardship on pages 47 to 56

SNCR, Net-Zero Carbon Roadmap on page 49

Strengthening our Foundation as The Next Generation Digital Champion

6. What are the focus areas of Axiata's transformation to become The Next Generation Digital Champion?

We set off on this transformational journey a decade ago by leveraging the digital ecosystem. We expanded into digital businesses via Axiata Digital in 2013. As for our traditional mobile operators, the ambition was to transform into Digital Telcos. As we usher in the era of digitalisation and 5G, we are strengthening our foundations towards realising our future goals by undertaking the following initiatives:

1

'Digitising our Core' across all key functions through 'API-fication', simplification and process digitisation in order to achieve Operational Excellence

2

Leveraging Analytics to accelerate our evolution in a way which is relevant to the dynamic and competitive landscape we operate in

3

Transforming our IT Blueprint to an Open Digital Architecture

4

Moving our infrastructure and applications to Cloud, enabling us to quickly and cost effectively scale our digital apps and touch points to cater to the exponential rise in digital service channels in the new normal, thus providing excellent customer services anytime, anywhere

Of course, we need people with the right skillsets to drive our transformation. To this end, we reasserted control over IT Software Development by setting up our own software development and IT operations (DevOps) company Axiata Digital Labs (ADL) which now has over 1,100 software engineering professionals. ADL has not only reduced Group-wide development cost, but also set a standard by transforming our Business Support System (BSS) with its middleware platforms such as the Digital Telco Enabler (DTE) and AXP platforms, which are the bedrock of our digital stack.

Taking this a step further, we spearheaded a community of Analytics professionals, Axiata Certified Experts (ACE), to employ a structured approach in developing our people's Analytics skills, with the intention of moving 'Analytics to the Edge'. Our objective is to establish best practices in AI and Data Governance with a reference architecture enabling interoperability and portability of codes. Leveraging off our early success with external API marketplaces for both long and short tail businesses, we have built a very large community of over 50,000 developers and hundreds of short tail partners.

IAR, Outcome 2 and 3 on pages 41 to 42 and 43 to 44

SNCR, Next Generation Digital Champion on pages 21 to 45

In Conversation With The President & Group Chief Executive Officer

7. How has Axiata improved its network in line with its ambition?

Our internal initiatives such as the cross-OpCo CTO Council are fuelling improvements in this area.

1

Efficiency gains from network transformation programme

Standardised network planning methodologies and guidelines as well as subsequent design reviews and optimisations of OpCos' network plans have resulted in major gains including reduced cost of delivery, in terms of both capex and opex expenditures

2

Collaboration amongst OpCos enable better adjustment to demand shifts

Unified design and planning approach between OpCos has enabled Axiata Group to support the 40% growth in network traffic in 2021

3

Sunsetting of 3G networks ongoing to prepare for 4G and 5G spectrum efficiency

In 2021 major advances were made by Celcom and Smart, as we sunsetted some 4,000 sites or 55% of our legacy networks, compared to the previous year

4

Concluded three successful Open RAN commercial pilots to better serve rising connectivity needs in the region

Formed strategic partnerships with leading global network solutions providers namely Mavenir and Parallel Wireless, and Infosys as systems integrator (SI) to successfully conduct Open RAN commercial field pilots in Malaysia, Indonesia and Sri Lanka

 IAR, Outcome 3 and 4 on 43 to 44 and 45 to 46  SNCR, Network Quality And Coverage on pages 25 to 28

8. How far has Axiata progressed in transforming its traditional mobile OpCos into Digital Telcos?

2021 has been an extraordinary year for our Digital Telcos which delivered over 40% YoY EBIT growth. Advancements in this area are driven by a unique tool Axiata has developed to help OpCos continuously up their game with respect to digital transformation.

This unique tool is our signature LEAP (Learn, Engage, Accelerate and Perform) Programme, a multi-year initiative designed to accelerate digitisation across all functions of the business. Since LEAP's inception in 2018, we have seen a total of 480 digitisation initiatives, spanning across process automation, API-fication of our platforms and Micro-Services proliferation across multiple business functions. We have also established "end-to-end digital" telco models in our OpCos, leading examples being Celcom's 100% digital service Yoodo, and XL's fully digital Live.On offering.

Of course, monitoring our YoY performance is critical to ensure we are on track, and we are doing so with a portfolio of metrics:

LEAP Digital Maturity (LDM) which tracks the digital transformation of our OpCos across all functions, both front-end and back-end



Big Data Architecture (BDA) Index to assess our ability to process and analyse Big Data



Digital Telco Model (DTM) which charts the financial outcomes achieved through digital transformation across our OpCos



AI Maturity Index which determines our AI Maturity levels to create and scale business impact



Over the past three years, all our OpCos have shown significant progress across all these metrics. Moving forward, we will continue to evolve our products and services, external and internal interfaces, platform architectures, and Talent and Culture constructs, to be on par if not ahead of global best practices in digital transformation. On a broader perspective, Axiata will focus on taking AI to the next level of industrialised scale so that technological advancements create sustainable business outcomes. Axiata Group will also continue to have stronger focus on data governance and management, to ensure the highest standards of protocols and privacy protection for its consumers while putting special focus around AI governance and ethics at the centre of its digital agenda.

 IAR, Outcome 2 on pages 41 to 42  IAR, Our Operating Companies on pages 63 to 81

In Conversation With The President & Group Chief Executive Officer

9. How are Axiata's OpCos preparing for 5G?

An evolution from past technology, 5G is a catalyst for the future, delivering the promise of greater speed, capacity, reliability and much lower latency. It will revolutionise how we interact with technology in our daily lives, transform industries and elevate user experiences to new levels. Enabling higher performance, improved efficiencies and real time precision, industries such as agriculture, transportation and logistics, education, advanced healthcare, manufacturing, retail and public service, among others, stand to benefit from 5G enabled advancements and innovations to

enhance products, services and experiences. With roll outs gaining traction across the world, 5G is also taking off in Asia, with most of our footprint markets poised for deployment in the short to medium-term. In line with this, our OpCos continue to be supportive of national 5G ambitions in their respective countries and work is ongoing to prepare for roll outs, even as we step up internally on our digital transformation to lead our customers and communities into the 5G era. Briefly:



- Collaborated with ecosystem partners in preparation for 5G
- Conducted Malaysia's 1st Voice over 5G New Radio
- Trial calls
- Deployed world's first large scale FDD Smart 8T8R Network with Huawei



- Requested for 5G trial frequency and awaiting decision
- Presented amended 5G Trial Plan in accordance with the Nepal Telecommunication Authority's revised Working Procedure



- Partnered with Samsung for users to access Dialog's 5G trial network
- Launched Dialog 5G Innovation Centres in 12 Universities and 3 industrial companies to spearhead development of 5G ecosystem



- Launched 5G trials in 15 areas across Indonesia
- Partnered with 2 universities to co-develop IoT digital solutions running on the 5G network



- Extended partnership with digital security provider Subex Ltd to strengthen risk management capabilities towards launching innovative 5G services



- Secured approximately 250 5G sites with Digital Nasional Berhad (DNB)
- Malaysia to roll out Phase 1 5G in 2022
- Installed 1st 5G In-Building Solutions for DNB at Ministry of Finance



In Malaysia, on 16 March 2022 the Government announced its invitation to Mobile Network Operators (MNOs) to participate in a public-private partnership for the MNOs to acquire a 70% equity stake in DNB, the entity tasked with driving the country's single wholesale 5G network roll out.

Celcom together with other MNOs will work closely with the Ministry of Finance, Ministry of Communications and Multimedia, and DNB to further understand the implementation model, including the proposed shareholding offer and transaction process.

In Conversation With The President & Group Chief Executive Officer

10. How is Axiata driving growth in the Enterprise segment?

Digitalisation is reshaping the ASEAN and South Asian regions into compelling engines of growth. In order to capture opportunities arising from the rapid digitalisation throughout the more than 540 million population within the region, some 75 million enterprises are leveraging on digitalisation to drive growth and competitiveness. As at the end of 2021, our Enterprise segment throughout our six Digital Telco operating markets are catering to the needs of around 185,000 enterprises with plenty of room to capture new growth in digital enablement.

Over the past two years, we have launched an aggressive but focused thrust to elevate our Group-wide Enterprise capabilities to reach market best standards. This is being driven along four principal dimensions as follows:

1. Making targeted acquisitions of in-market ICT leaders in our key operating markets to augment the capabilities of our OpCo Enterprise business. We will continue on this trajectory with similar focus and discipline going forward
2. Building on our acquisitions in previous years, we are establishing aggressive synergy multipliers by combining the capabilities of our new assets with the extensive go-to-market reach of our OpCos
3. Securing a portfolio of best-in-class partnerships and combining with hyper-scalers and ICT majors to deliver cutting edge IR 4.0 solutions for Enterprises within our operating markets
4. Applying consistent investment and focus to ramp up our organic skills and capabilities in the Enterprise space, with specific attention on sales and delivery capabilities including those centred on ADL

I am happy to report that our strategy is delivering results. The in-market Enterprise ICT acquisitions have grown our OpCos' capabilities across Axiata's footprint, including for Cloud engineering, cyber security and managed connectivity expertise. Our existing Enterprise business has started to scale, with these acquisitions adding new customers across the industry segments we operate in. For example, the acquisition of H One, a leading Cloud consultancy and Microsoft's key partner in Sri Lanka, supplements Dialog's expansive suite of Enterprise solutions to facilitate the acceleration of digital transformation for multiple flagship clients.

To further strengthen our Enterprise proposition, in 2021 we added Google Cloud to our line up of global enterprise technology partners enabling our OpCos to offer Google Workspace as part of their integrated ICT portfolio and solution bundles to small and medium businesses. Three of our leading OpCos have launched one stop SME digital kits offering simple and efficient Google solutions in conjunction with government initiatives to digitalise SME business operations. Within Axiata Group, ADL plays a catalysing role in providing the DevOps support required to drive the development of Enterprise solutions, for example Google Cloud Platform, within all our Digital Telcos.

As we pave the way for 5G networks in our markets, we are developing Beyond Connectivity solutions for Business-to-Business (B2B) or B2B2X. We believe this specialised B2B application development will primarily hinge on the ability to partner or collaborate at speed and with zero-touch, with the likes of hyper-scalers, other telcos and local solutions providers. We have recorded key wins in some of our markets where our OpCos are offering Beyond Connectivity Enterprise services that include Security as a Service (SaaS), Equipment, Cloud, Data Centre, Application and IT services.

Evolving our Enterprise Solutions to Cater to Regional Demand

Offering a full suite of products and services to serve Enterprise ICT and connectivity needs



Partnerships to grow competencies with technology leaders



Supported by ADL as our Regional Delivery Centre



Cloud resources and expertise in DevOps, IT infrastructure, Automation & Security



Track record with delivery of Cloud solutions in Telco, IoT platforms, fintech & applications



Equipped to provide range of Enterprise Cloud solutions including presales, demonstrations & workshops

2022 Focus

- Scale up to build a regional Enterprise solutions provider by leveraging on the internal capabilities of our Digital Telcos, Digital Businesses and ADL assets
- Identify potential acquisitions in Indonesia, Cambodia and Nepal to strengthen presence in those markets
- Continue securing new technology and capability partners with extensive solutions and proven industry transformation expertise for various verticals and smart services including logistics and ports, healthcare and agriculture, among others

In Conversation With The President & Group Chief Executive Officer

11. Are Axiata's Digital Businesses on track towards unicorn status?

Axiata's digital story began in 2013 when we set up Axiata Digital to identify and acquire opportunities within the digital ecosystem that were potentially relevant to us. Since then, we have undergone three distinct phases in our evolutionary journey to where we stand today, where our Value Illumination strategic focus is to build two unicorns.

2021 has been an exciting year for us, as we 'graduated' our digital businesses and set them off on their path to profitability with the ambition of unicorn status by 2024. We consolidated all our fintech offerings under the Boost umbrella to evolve into a full spectrum regional fintech business.

As for ADA, we are currently augmenting its product and service propositions by leveraging on synergies and partnerships established during the year to focus on new growth areas which includes Enterprise solutions.

Evolving Axiata's Digital Businesses

2013 - 2015

Phase 1: Inception and Experimentation

- Acquisition of various digital and Internet ventures for learning and experimentation
- Investment of USD200 million

2016 - 2018

Phase 2: Growth and Expansion

- Learnings from digital ventures led to incubation of new businesses namely Boost, ADA, Aspirasi and Apigate

Beyond 2018

Phase 3: Value Capture

- 2018: Sumitomo Corp invested USD20 million in ADA
- 2019: Mitsui & Co., Ltd invested in Axiata Digital establishing a pre-money valuation of USD500 million
- 2019: Monetised minority stake digital ventures with Pegasus 7 Ventures Pte Ltd at a valuation of USD140 million
- 2020: Great Eastern Holdings invested USD70 million into Boost
- 2021: SoftBank Corp. invested USD60 million into ADA

12. What's next for Boost?

Boost has advanced into a formidable fintech player in Malaysia, and is bolstering its presence in the adjacent high-growth Indonesia market in line with its regional expansion plans.

In strengthening Boost, we have consolidated the five lines of businesses that have been incubated as part of our digital business growth strategy over the years. The consumer eWallet business was re-branded to Boost Life and has gained mainstream adoption in Malaysia as one of the top three providers in the eWallet space. We carved out our merchant business as Boost Biz, while the credit business that originated with Aspirasi which pioneered the provision of loans to small businesses and SMEs in Malaysia has been consolidated into Boost Credit. In the Indonesian market, Boost Indonesia's current focus is on small merchants, while Boost Connect which was originally Apigate provides Cross Border Payments.

In June 2021, the consortium formed by Boost with RHB Banking Group applied for a digital banking licence under the framework issued by Bank Negara Malaysia. Boost has also been steadily building its proposition as a regional fintech provider, and in March 2022 became the first fully regional digital financier to obtain an investment grade A1 rating for its maiden tranche of Senior Class A Medium Term Notes.

Having run the distance in laying the foundations for a well-structured fintech driven business, Boost is now ramping up towards becoming a Regional Digital Financial Services Champion with the business continuing to chalk new milestones in this nascent industry which promises high growth in the future.

2022 Focus

- Explore monetisation/fund raising in 2022 or 2023 to support Boost's regional growth ambitions
- Launching of the digital bank, if successful with the digital bank licence application

Boost's 5 Pillars



- ~ 9.7 million users
- One of the top three eWallets



~ 561,000
merchants



Disbursed
> RM900 million in
loans in Malaysia and
Indonesia



~ 122,000
merchants



Serves over
100 digital partners
and providing them with
access to over
1 billion consumers



In Conversation With The President & Group Chief Executive Officer

13. What are the prospects for ADA?

ADA, our digital analytics and AI company, has always been at the forefront of digital transformation since its inception in 2018 – recognising the opportunity to change the game for marketing and business operations with data and analytics. In just a short span of time, we have already witnessed the mark that ADA has made in the industry especially with the recent strategic investment of RM246.4 million from SoftBank Corp., enabling the company to develop and invest in more data solutions to serve their clients better. The acquisition of Awake Asia also allowed ADA to deliver end-to-end eCommerce solutions across its footprint of 10 markets in South and Southeast Asia.

ADA is on a steady growth path, as revenue in 2021 soared by 89.4% YoY on the back of the expansion of our customer engagement business and our clients’ increased focus on digital transformation. With its robust digital ecosystem and support by Sumitomo Corporation as an investor as well as other partners, ADA is well positioned to become one of the largest digital services providers as they ride the digitalisation wave as an enabler for enterprises seeking to grow their digital maturity.



2022 Focus

- Identifying strategic partnerships and acquisitions as ADA seeks to become the largest digital services provider in Asia Pacific (APAC)
- Adapting capabilities and enabling our pioneering clients into the new Metaverse frontier
- Deeper and more integrated industry-focused analytics to empower better decision making amongst our clients

In Conversation With The President & Group Chief Executive Officer

14. Can you share more about edotco's expansion plans?

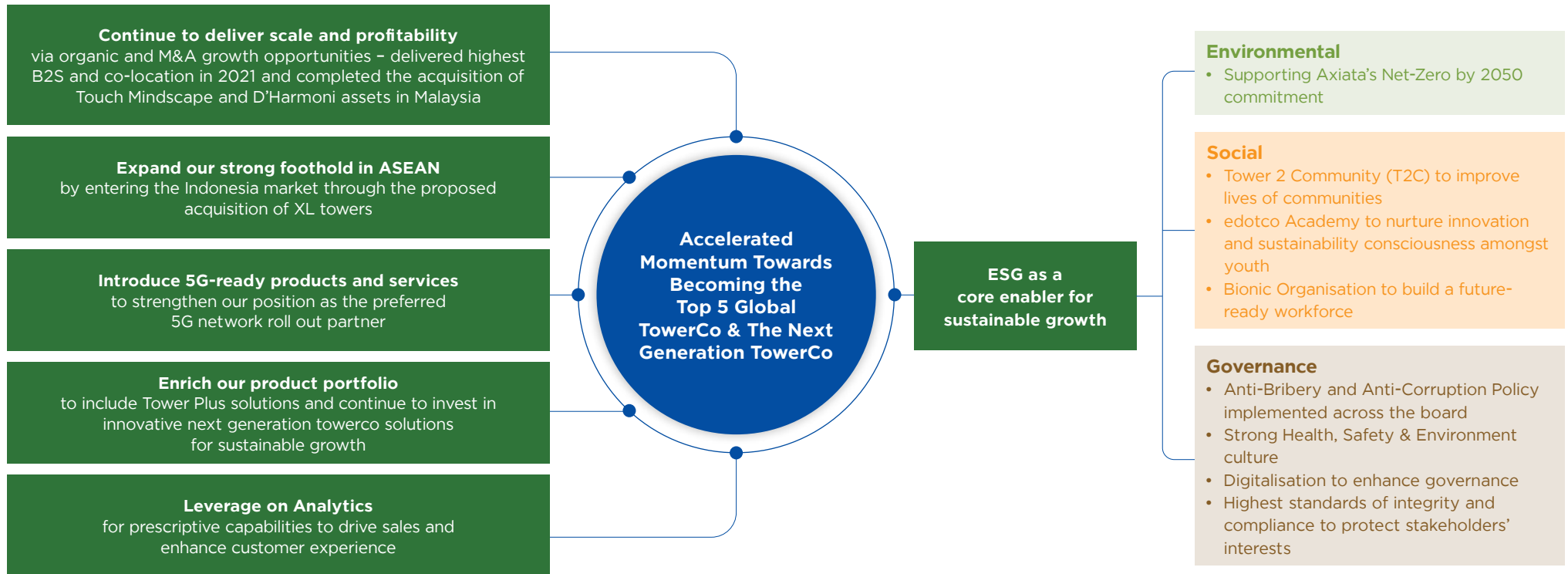
edotco has progressed in its journey to become The Next Generation TowerCo by complementing its traditional towerco products with value-added and innovative offerings. The company recorded its strongest growth in terms of Built-to-suit (B2S) and co-location in most of its markets and contributed approximately RM2.0 billion to Group revenue during the year. As at the end of 2021, edotco has become the seventh largest towerco in the world based on the numbers of owned and managed sites in its portfolio, a step closer to its ambition of becoming a Top Five Global TowerCo by 2024.

In March 2022, edotco set a new milestone by penetrating into the Indonesia market through its proposed acquisition of approximately 1,000 towers from XL, which upon completion will expand

its presence to nine markets across ASEAN and South Asia with a portfolio of close to 50,000 owned and managed towers. Coupled with the acquisition of Touch Mindscape in Malaysia involving approximately 1,000 towers, edotco has clearly been accelerating its strategy towards becoming a Top Five Global TowerCo by 2024.

Given its resilient business model and strong balance sheet, there is enough headroom to fund edotco's ongoing organic and inorganic expansion plans through a combination of borrowings and internal funds. At the same time, we are also cautious about business risks in Myanmar and keeping a close watch on further developments in the market.

On Track to Realise edotco's Vision



In Conversation With The President & Group Chief Executive Officer

Leveraging Regional Synergies to Build Resilience

15. What is Axiata’s approach to drive its talents?

Axiata Group has been resilient and agile in responding to challenges and opportunities arising from the post-pandemic surge in digital use, as driven by our high performing workforce. We are future-proofing our workforce through the execution of our People Strategy which seeks to sustain an inclusive and winning culture through high organisational effectiveness, nurturing people capabilities and maximising talent potential, towards propagating The Axiata Winning Culture.

The Axiata Winning Culture essentially consists of three core facets – The Axiata Way to forge a unique identity in upholding core values and leveraging on our agility and innovation to deliver goals without compromising ethics and integrity; Core Values to harmonise Group values whilst acknowledging the nuances and uniqueness of each of our OpCos; and building a modern mindset and workspace in an agile and digital ecosystem in line with our Modern, Agile and Digital (M.A.D.) aspiration.

The Axiata Winning Culture leverages on the rich diversity of our talents in the 11 markets we operate in, and harnesses the spectrum of experience, knowledge and insights that our multi-cultural, multi-gender and multi-generational workforce possesses. In crafting our cultural constructs, we also acknowledge that our role is to bring about harmonisation and not necessarily standardisation, as different businesses and markets have their unique characteristics and nuances.

16. How does this Winning Culture translate into real action?

The Axiata Winning Culture acts as an enabler to integrate our collective knowledge, and leverage on each other’s strengths to co-create solutions – in short, helping each other out as Team Axiata.

Initiatives such as Collective Brain, Expert Working Group Councils and People Circles have been able to drive vast improvements Group-wide as a result of collaborative decisions made by our OpCo leaders across ASEAN and South Asia, a true reflection of how we are leveraging “the best of us for the benefit of all of us”. Among others, we have been able to centralise Procurement negotiations, as well as streamline and harmonise Network and IT functions.

We are on track to achieve targeted capex and opex savings of RM3 billion to RM4 billion by 2024 through design optimisation in Network and IT, and Procurement negotiations. In 2021, we delivered on total savings of RM2.0 billion, of which RM1.1 billion was derived from the Collective Brain approach. It is clear that we are sustaining our momentum to achieve our target of delivering cost savings of between RM3 billion and RM4 billion by 2024.

Business verticals have successfully adopted a collaborative approach towards their ways of working

Our Collaboration Platforms



Expert Working Group (EWG) Councils

- Analytics
- Enterprise
- Digitisation
- Cost Leadership
- Sales & Marketing
- Products & Innovation
- Digital Customer Experience
- Knowledge Management



People Function Circles

- Performance Management & Rewards
- Learning & Development
- Talent Leads
- Young Talent
- Wellbeing
- Governance
- Culture, Engagement & Diversity, Equity and Inclusion (DEI)



Collective Brain

- Harnesses the collective experience and capabilities of experts located across Axiata Group for Network, IT & Group Wholesale
- Efficiencies gained through network design optimisation, procurement, digitalisation & other operational aspects

In Conversation With The President & Group Chief Executive Officer

Well-Posed for the Future

17. What is the outlook for Axiata?

Stepping into 2022, we are determined to sustain our growth momentum, and are imbued with a sense of cautious optimism of our prospects ahead. While short-term uncertainties will prevail, signs are that the world is coming to terms with living and working with COVID-19, and it will progress from a pandemic to an endemic phase, driven by increasingly high vaccination rates worldwide.

Against this backdrop, Axiata will continue riding the momentum already built in the Group-wide execution of Axiata 5.0, to deliver value for both our business and stakeholders by executing the strategic priorities of our 10 Key Focus Areas. At the same time, we will augment our ESG proposition as a responsible and sustainable organisation.

Short Term

- Headline KPIs: Targeting mid-single digit for revenue excluding device growth driven by demand for data, digital content and enterprise digital transformation; substituting EBIT for EBITDA growth as a better measurement of our capital-intensive business, and have set a high single digit target in light of prevailing tough external conditions
- Capex for 2022 is targeted at RM7.1 billion across the footprint
- Identify inorganic opportunities that enables Axiata to expand into adjacent areas to better serve customers and businesses, in line with Axiata 5.0
- Ongoing monitoring and mitigation of risks especially from regulatory challenges across footprint markets - the global chip supply shortage; uncertain macroeconomic environment and geo-political conflicts; hyper-competition and evolving dynamics for digital/telco players; increased taxes in several of our markets; and developments in Myanmar
- Specifically in Sri Lanka, there are concerns on the escalating socio-economic and political crisis and its impact on our employees, customers and operations. Dialog continues to sustain its operations despite the challenges and we are closely monitoring the situation
- Launch Axiata's Net-Zero Carbon Roadmap and embark on our TCFD journey
- Preparing for 5G roll outs and synergistic partnerships across markets, doubling down in high growth markets such as Indonesia and Bangladesh
- Integration on track, awaiting regulatory approval for proposed Celcom-Digi merger in Malaysia
- Completion of the Link Net acquisition
- On the Ncell Capital Gains Tax matter, the arbitration tribunal set up under the rules of the International Centre for Settlement of Investment Disputes had postponed the hearing from August 2021 to between 11-22 April 2022, with 4-5 July 2022 in reserve
- Awaiting Bank Negara Malaysia's approval for digital banking licence jointly applied with RHB Banking Group
- Seek regional expansion opportunities for Boost and ADA
- edotco remains in growth mode to increase its tower portfolio in the region

Medium Term

- Continue to seek out market consolidation opportunities across our footprint in line with new normal adjustments
- Immerse Axiata in AI initiatives to future-proof the business by building an 'AI First' organisational mindset
- Closely monitor emerging risks and opportunities, in line with the demands of climate change, energy transition and industry decarbonisation
- Progress our Net-Zero Carbon Roadmap, TCFD and SBTi commitments
- Remain committed to building a M.A.D. workforce with talent development and digital skills programmes, and embracing the trust-based Flex@Axiata hybrid working environment
- Prioritise Diversity, Equity and Inclusion through our Women of Axiata and Male Allies initiative and our commitment to the United Nations Women's Empowerment Principles Charter
- Strengthen our position as a truly Digital Telco across our footprint through digital and technological convergence for the Home and Enterprise segments
- With AI and IR 4.0 technologies embedded within our Digital Telco processes, manage future risks associated with AI within four major dimensions of Organisation, Customer, Workplace and Society
- Expanding our digital bank ambition and eCommerce proposition through our two digital businesses
- edotco to further strengthen its market proposition by diversifying into 5G ready towers, products and offerings
- Focus on expanding edotco's tower portfolio both organically and inorganically, as it continues to leverage on advanced network technologies to provide innovative and value-added products and services across its regional footprint

In Conversation With The President & Group Chief Executive Officer


What is the outlook for Axiata? (cont'd)

Long Term

- Our short and medium-term strategies will have strengthened our ability to accelerate our transformation as The Next Generation Digital Champion advancing the lives and livelihoods of our customers throughout the region
- In tandem, we will focus on delivering on our fundamental Investor Proposition of a High Dividend Company, to provide shareholders with sustainable return on their investment with the following targets by 2024:
 1. Group revenue > RM30 billion
 2. edotco revenue > RM5 billion
 3. Enterprise business to contribute 20% of total revenue
 4. Mobile revenue comprising 80% of Group revenue
- Continue pursuing Operational Excellence and leverage on Group synergies through the Collective Brain to become the lowest cost producer of data and deliver on our customer promise to fulfil their demands anytime, anywhere
- Driving sustainable growth will be priority as we work towards realising our targets under Axiata's Net-Zero Carbon Roadmap, TCFD and SBTi commitments and continue to fulfil our digital inclusion and national contribution responsibilities

We believe that our robust business fundamentals and strong performance track record, combined with our empathetic approach to become The Next Generation Digital Champion bringing meaningful value to our customers, communities and the planet sets up well to keep delivering on our value creation promise moving forward. We are particularly excited about

beginning our Net-Zero Carbon Roadmap in the year ahead, which will drive our environmental commitment to combat climate change and preserve the planet for future generations. For more insight into our ESG agenda in the years to come, please refer to our Sustainability and National Contribution Report 2021.

 IAR, Key Trends and Risks Linked To Strategy on pages 28 to 29 and 33 to 36

Acknowledgements

On behalf of Team Axiata, I would like to extend our sincere gratitude to Tan Sri Ghazzali Sheikh Abdul Khalid who stepped down as Chairman of the Board of Directors on 31 December 2021 in line with his intention to retire. As one of the founding Directors since 2008, Tan Sri Ghazzali has played a significant role in contributing to the transformation of Axiata from a home-grown Malaysian company to the leading mobile telecommunications and digital organisation it is today. His exemplary service as Chairman, since 2018, has seen us through some of the most challenging years the world has faced, and we are deeply grateful to him for his stewardship and guidance.

Taking his place, we are extremely pleased to welcome Tan Sri Shahril Ridza Ridzuan who took the reins as Chairman on 1 January 2022. Tan Sri Shahril holds a distinguished record serving at some of the most outstanding Malaysian corporate institutions. With his extensive experience, expertise and network of relationships, we are confident he has many valuable insights to share as he guides us to deliver on our stakeholders' expectations most responsibly.

My appreciation also goes to all the Directors for their commitment in rigorously upholding the highest standards of governance. To all our shareholders, we thank them for their continued faith and trust in our ability to create value. We also wish to extend our appreciation to our stakeholders in the respective governments, agencies and business partners in all our markets, who continue to work collaboratively with Team Axiata to embrace the new digital paradigm.

Backed by our strong fundamentals we are confident that despite the challenges that lie ahead, we will continue to engender sustainable long-term growth, as mapped out under the Axiata 5.0 Vision.

Dato' Izzaddin Idris

President & Group Chief Executive Officer

Connecting SMEs To The Digital Future

Utilising Cloud technology to help businesses digitise and grow, with advanced technology tools boosting collaboration, productivity and generating data-based insights

AXIATA ENTERPRISE CLOUD SOLUTIONS



Monthly Sales Report



Transaction History

New Customers

- Jeffrey King
Amazon
- Rebecca Rice
Microsoft
- Timothy Walker
Fedex
- Jason Wilson
Facebook
- Deborah Morgan
The Guardian

Recent Order

Invoice	Customers	Date	Amount	Status	Amount
#360600	Maria Lee	08/08/2020	923.00	Outgoing	DS00248TRC
#360612	Carol Salazar	23/06/2020	281.70	Outgoing	DS00060TBA
#360632	Donna Day	15/03/2020	1,410.31	Outgoing	DS35982TBA
#055010	Adam Henders	30/01/2020	1,211.87	Outgoing	DS11539EEA
#298300	Olona Hill	19/09/2019	946.65	Outgoing	DS66582AAA
#240065	Deborah Harvey	23/02/2019	452.41	Outgoing	DS00060TBA

Our Strategy

Key Trends - Our Changing World

Operating Environment	<h3>Digital Acceleration</h3>	<ul style="list-style-type: none"> Acceleration in 'offline-to-online' digital migration for work, education and economic transactions caused a surge in demand for data and digital solutions Mobile voice service marginalised as majority of users adopted Over-The-Top (OTT) voice applications Change in data usage profile from business districts to residential areas as more people are working/learning from home Proliferation of customer data in a hyper-connected world has heightened the need for enhanced controls, transparency, security and protection surrounding data privacy and cyber security 	<h3>Climate Change</h3>	<ul style="list-style-type: none"> Climate change agenda has accelerated with all industries, including the telco sector, committing to industry decarbonisation by 2050 Acceleration in replacement of traditional energy sources with renewables across all sectors Businesses' ability to address climate-related risks is becoming an increasingly important factor that banking and financial institutions consider when making decisions on loans and funding
Strategic Implications	<ul style="list-style-type: none"> There is need for differentiation of Axiata's digital telco proposition from mobile competitors by leveraging on IR 4.0 technologies Digital businesses primed to expand market share and further build revenue streams Critical to maintain continuous network service as interruptions would lead to loss of service confidence and market share Need to ensure that the Group upholds strong data privacy and cyber security standards By being an early mover and expanding network coverage to underserved areas, Axiata will be able to capture greater market share Accelerated adoption of digital technologies will require employees to be upskilled/ reskilled 	<ul style="list-style-type: none"> Axiata is cognisant that if we do not heed the call for action on climate change, our business will lose its credibility in the marketplace, thus damaging our reputation. It also puts us at risk of non-compliance with increasingly stricter environmental legislation across our all our markets The climate change agenda dovetails with Axiata's drive for Operational Excellence As Part of Our DNA, as initiatives addressing climate risks will offer us both operational excellence and cost efficiencies edotco is supporting Axiata to be net-zero through various initiatives such as renewable energy sites, tower innovation using alternative materials, sites solarisation and a regional reforestation programme, among others 		
Way Forward	<ul style="list-style-type: none"> Harnessing Group synergies and leveraging regional presence to strengthen the value proposition of Axiata's digital telcos and digital businesses Aligning the Group's Network Transformation Programme and future network strategy with sectoral technological advancements, particularly on 5G technology Embarking on organic and inorganic expansion opportunities for all three lines of businesses to cater for new normal shifts Offering Beyond Connectivity Enterprise solutions for B2B and B2B2X which include Security, Equipment, Cloud, Data Centre, Application and IT services Building a Modern, Agile and Digital (M.A.D.) workforce with the digital, analytics and AI skills to drive our Axiata 5.0 Vision Inculcating cyber savvy culture into the workforce through cyber and data privacy awareness training and attack simulation assessments Axiata Supplier Code of Conduct ensures that vendors and business partners adhere to a high standard of data protection and compliance controls Executing the three-year cyber security strategy, Digital Trust and Resilience 2023, to improve processes, technology and people, under the oversight of the Axiata Board, Board Risk and Compliance Committee and Risk and Compliance Management Committee Maintaining our National Institute of Standards and Technology (NIST) cyber maturity level above the Asia Pacific and World average benchmarks and focusing on enhancing trust and resilience by evolving to a risk-based approach in addressing cyber threats 	<ul style="list-style-type: none"> Signed the Science Based Target Initiative Business Ambition Pledge for 1.5°C and plan to launch the Axiata Net-Zero Carbon Roadmap Commencing the adoption of the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations to improve and increase reporting of climate-related financial disclosure and information Maintaining environmental awareness and product end life management programmes across all OpCos Seeking efficient technologies which can enhance network energy efficiency and reduce GHG emissions edotco to maintain its momentum towards achieving net-zero through the edotco Carbon Neutrality Framework Chief Technology Officer Council to continue leveraging on the Collective Brain to incorporate efficient energy use in our regional network in line with both cost reduction and carbon emission targets 		
Link to Strategy and Risks	<p>Our Strategic Response</p> <p>① ③ ⑥ ⑧</p> <p>Link to Risks</p> <ul style="list-style-type: none"> Market Risk People Risk Strategic & Investment Risk Technology Risk Cyber & Data Privacy Risk 	<p>Our Strategic Response</p> <p>⑤ ⑦</p> <p>Link to Risks</p> <ul style="list-style-type: none"> Strategic & Investment Risk Regulatory Risk Governance & Compliance Risk 		

Key Trends - Our Changing World

	Macroeconomic Factors	Regulatory Environment	Hyper-competition
Operating Environment	<ul style="list-style-type: none"> Heightened macroeconomic risks actuated by prolonged global lockdowns Supply chain disruptions caused inflationary pressure on SIMs and delay in delivery of network equipment Technology sector remains exposed to broader economic headwinds, with considerable pressure on working capital and liquidity As a multinational company operating in various markets, Axiata is subject to foreign exchange risk in terms of currency value fluctuations Escalating socio-economic and political crisis in Sri Lanka, causing shortages in basic necessities, inflation and more than 60% depreciation of Sri Lankan Rupee against the USD 	<ul style="list-style-type: none"> Robi and Ncell successfully acquired more spectrum for 4G to cope with increased consumer demand Regulatory environment poised for 5G Policymakers returning to pre-COVID-19 policy agenda including modernisation of sectoral legislation and regulatory framework, and development of national digital economy blueprints in some markets Greater scrutiny of big tech over digital competition in the region similar to anti-trust action in US, Europe and China may result in Asia Pacific policymakers introducing digital regulations 	<ul style="list-style-type: none"> Customers more conscious of price points, service type/scope and responsive customer service Rise in data consumption offset by intense price competition in markets Telcos are facing limited incremental revenues, which combined with rising operating costs are pressuring margins Intensified competition as demand for faster mobile and fixed wireless connections create more viable alternatives to wired connections, along with new opportunities for bundled service offerings and business models for service providers Ever-expanding options for high-quality communication and Internet services from telecom, cable, wireless and satellite Internet providers are scaling up competition between diverse players
Strategic Implications	<ul style="list-style-type: none"> Economic slowdown led to customers tightening spending across the board Supply chain disruptions impacting mobile handsets and network equipment could lead to future dips in revenue Currency volatility could affect earnings Continue with prudent financial management to build financial resilience In Sri Lanka, steep currency decline, heightening cost of living and power cuts impacting employees, customers and Dialog's operations 	<ul style="list-style-type: none"> Proactive regulatory management as a core component of Stakeholder Management under the 10 Key Focus Areas of the Axiata 5.0 Vision Consistently partnering with industry association groups to collectively carry our positions to regulators and policymakers Developed public policy thought piece titled "Impact of policymaking and the State of mobile broadband connectivity in South Asia" used to advocate for lower sectoral taxation policies for our South Asian markets 	<ul style="list-style-type: none"> Renewed focus on customer experience, Digital Telco transformation to cater to digital and technological convergence, and focusing on Enterprise needs for digital transformation Need to enhance and improve our network in line with new demands Ensure that our employees have the digital skills and talents to provide our differentiated products and services
Way Forward	<ul style="list-style-type: none"> Maintaining a strong balance sheet and liquidity position Continue reducing financing cost and optimising capital structure amidst uncertain macroeconomic backdrop Continuing with Cost Excellence Programme by leveraging on the Collective Brain, disciplined cost management and ensuring capex efficiency Business Continuity Plan to address potential risks arising from our footprint spanning countries across Asia, through a systematic identification of critical business processes and adequate recovery actions Axiata Procurement Centre monitors the performance of our vendors and continuously develops new relationships to manage potential disruptions to supply chains Oversee and control the Group's treasury and funding matters Develop hedging strategies which are governed strictly by the treasury policies Monitor current and future outlook of the relevant economies and foreign exchange markets Dialog to continue sustaining operations despite challenges 	<ul style="list-style-type: none"> In general throughout 2021, Axiata OpCos have improved on their regulatory compliance performance and will continue doing so into the future Proactively managing stakeholders including support from the Government of Malaysia as well as Malaysian Embassies and High Commissions abroad to protect our investments overseas Conducting joint advocacy campaigns with the GSMA, International Telecommunication Union (ITU) and other international bodies on industry related matters Maintaining policies and procedures in alignment with the Malaysia Anti-Corruption Commission Act Section 17A on Corporate Liability with appropriate control mechanisms, automated systems and staff awareness programmes in place Upholding strict compliance, and fair and transparent practices of government policies in all operating markets, with dedicated personnel and resources to constantly monitor all relevant developments and maintain ongoing and courteous relationships with governing authorities 	<ul style="list-style-type: none"> Retaining focus on our regional triple core businesses which does not confine our risks to one country or one sector Differentiating ourselves through an intelligent Omnichannel Customer Experience (CX) and better customer service Accelerating our Network Transformation Programme Focus on the digitisation of our human capital across the People Lifecycle by embedding digital HR and Analytics Towards becoming a Digital Telco, our community of Analytics professionals, Axiata Certified Experts (ACE) are developing our people's Analytics skills Driving efficiencies and innovations through investment in new technologies, initiatives focused on cost improvements, and establishing strategic ties with OTT and digital product developers to create products and services that meet evolving customer needs, with the aim of increasing customer wallet share, customer retention and maintaining profitable growth Closely monitor the competitive landscape, explore and make appropriate investments to upgrade our technology and platform, as well as reviewing the relevance of our products and services to stay in the game
Link to Strategy and Risks	<p>Our Strategic Response</p> <p>① ④ ⑤ ⑩</p> <p>Link to Risks</p> <ul style="list-style-type: none"> Financial Risk Market Risk Operational Risk Strategic & Investment Risk 	<p>Our Strategic Response</p> <p>⑦</p> <p>Link to Risks</p> <ul style="list-style-type: none"> Market Risk Geo-Political Risk Regulatory Risk Governance & Compliance Risk 	<p>Our Strategic Response</p> <p>① ② ③ ⑥ ⑧ ⑨ ⑩</p> <p>Link to Risks</p> <ul style="list-style-type: none"> Financial Risk Market Risk Technology Risk Operational Risk Strategic & Investment Risk

Considering What Matters

Considering our material matters enables Axiata to gain a deeper understanding of how our internal and external stakeholders perceive and respond to the key sustainability issues that we face, and identify those that potentially have the most positive or negative impacts on our efforts to create value for both our business and our stakeholders. We conduct our materiality assessment once every two years, or when there is a significant change in our business or operating environment, with the last one led by an independent consultant in 2020. In 2021, Group Sustainability conducted an internal annual review of our material matters to ensure its continued relevance to the Group. The internal review reaffirmed that there were no changes to the material matters and its prioritisation from 2020.

We approach our material matters by grouping them into our Next Generation Digital Champion, Environmental, Social and Governance (ESG) Pillars. Our approach gives us better insights into how our material matters are linked to ESG factors that are important to our business, and affect our ability to execute our strategy towards achieving the Axiata 5.0 Vision. This has enabled us to embed sustainability factors into our business model, strategy, assessment of risks and opportunities, as well as our business operations, thus strengthening integrated thinking throughout the Group.

Our Materiality Assessment Methodology

Guided by Bursa Malaysia's Sustainability Reporting Guidelines and Toolkits as well as the Global Reporting Initiative (GRI) Standards, we employed the following process in assessing our material matters:

Review of Material Matters

- Reviewed and updated our material sustainability matters in response to changes in our business landscape, risk environment, internal policies, KPIs, emerging local and global sustainability trends, regulatory developments and stakeholder opinions

Stakeholder Engagement

- Conducted a structured stakeholder prioritisation exercise
- Identified the influence and dependence of key stakeholders
- Obtained prioritised stakeholders feedback on sustainability matters

Sustainability Impact Assessment

- Conducted workshops within the Group to further prioritise sustainability matters from the business perspective

Our Material Matters

Anchored on our aspiration to be The Next Generation Digital Champion by 2024, we ensure the way we operate integrates ESG elements. This structure guides our value creation disclosures and narrative for our stakeholders on how we are Advancing Asia.

Our Material Matters for Next Generation Digital Champion:

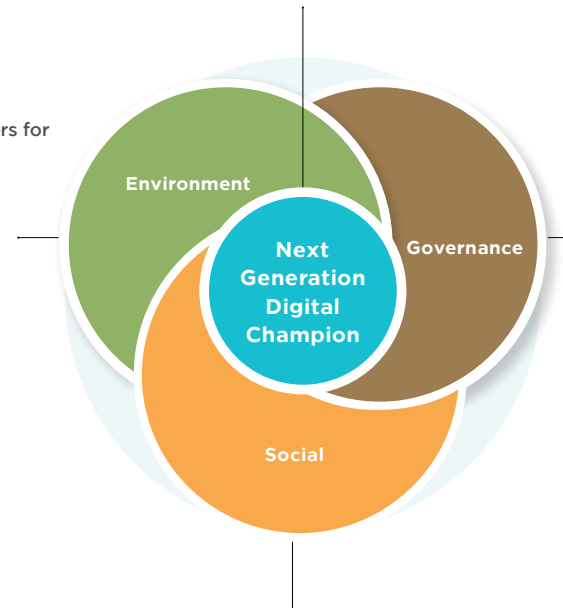
- Sustainable Business Growth
- Digital Inclusion
- Network Quality and Coverage
- Digitisation and Modernisation

Our Material Matters for Environment:

- Climate Action
- Resource and Waste Management

Our Material Matters for Governance:

- Business Ethics and Compliance
- Data Privacy and Cyber Security
- Regulatory and Political Risk



Our Material Matters for Social:

- Fair Employment and Welfare
- Employee Health, Safety and Wellbeing
- Customer Service
- Community Development
- Talent Development
- Emergency and Disaster Response
- Supply Chain Management

Stakeholders Engagement

Axiata's commitment to create long-term value for our ecosystem of stakeholders throughout our regional footprint in ASEAN and South Asia takes into account the feedback we receive from our continuous engagements with our stakeholders which are conducted through multiple channels. The table below provides highlights of engagement activities and outcomes in 2020.



Customers



Regulators and Government



Shareholders



Employees

	Customers	Regulators and Government	Shareholders	Employees
Why They Are Important	We value each of our customers and the experience that they have on our network, and the impact of our solutions and services. We are committed to delivering optimum performance to meet our customers' expectations and improve user experience.	Our regulators and authorities specify the national laws and regulations that determine the licence and scope of our activities in our respective markets operation. They provide our OpCos access to operating licences, and impose regulatory measures which have potential cost implications for the Group.	As owners of Axiata, shareholders provide us with the financial capital needed to sustain our growth. They are entitled to receive a return on their investment and be apprised of developments in the Group.	Our innovative and diverse workforce is essential to delivering the best digital experience for our customers. We drive a culture of high performance and accountability that attracts, develops, and retains the best talent to deliver our business strategy.
How We Engage	We undertake a range of surveys across our markets to understand customer satisfaction levels and expectations. Scores are benchmarked against our peers, and the data analyses, among others, drive operational excellence.	We proactively engage with country regulators and authorities through industry meetings, thought leadership platforms, and capacity building workshops to support and enable the digital ecosystem.	We conduct an Annual General Meeting to meet and be accountable to shareholders. We also organise regular investor roadshows and analyst meetings to engage shareholders on current corporate developments.	Axiata conducts an annual Employee Engagement Survey, regular Townhalls and a range of digital platforms to stay engaged with employees across the Group.
Matters Raised	<ul style="list-style-type: none"> • Network quality and availability • Improving customer experience • Price of packages, products and service differentiation 	<ul style="list-style-type: none"> • Spectrum allocations and licensing fees • Taxation and industry long-term sustainability • Compliance with regulations and customer service standards • Information security and data protection • IR 4.0 and digitalisation towards the Digital Economy • Developing local digital talents and national talent pipelines • Integration of Environmental, Social and Governance (ESG) matters into the business operations, particularly climate change 	<ul style="list-style-type: none"> • Financial performance • Long-term business strategy • Board composition • ESG strategy and performance, which includes management of climate-related risks • Share price performance and outlook • Support of the United Nations Sustainable Development Goals (UN SDGs) 	<ul style="list-style-type: none"> • Long-term business strategy and performance • Career and talent development opportunities • Work-life balance and employee wellbeing support which has heightened during pandemic • Pay and remuneration • Diversity and inclusivity
Axiata's Response and Results	<ul style="list-style-type: none"> • Be the lowest cost producer relative to our customer promise • Drive operational excellence in relation to customer expectations • Creating digital lifestyle products and self-service customer care solutions • Support during the pandemic for customers – for remote assistance on products, product deals and packages, and reliable connectivity 	<ul style="list-style-type: none"> • Investing in the development of local telecommunication infrastructure • Contributing directly and indirectly to the development of the local and regional digital economy • Supporting digital innovation funds to drive the development of local and regional digital ecosystems • Deploying world-class cyber security and data privacy practices 	<ul style="list-style-type: none"> • Transparency in corporate reporting and disclosures through multiple platforms, and sharing of these reports for wider public awareness • Briefings and engagements with shareholders on emerging topics in the industry and national landscape 	<ul style="list-style-type: none"> • Providing job opportunities to local citizens • Group and OpCo Talent Development programmes • Transforming towards a Modern, Agile and Digital (M.A.D.) organisation

Stakeholders Engagement

Community

Media

Suppliers

Why They Are Important

We are present in a diverse and fast developing economic region. We recognise that strong community participation and engagement is needed as part of our social licence to operate.

The media provides a platform to communicate with our key stakeholders and local communities. Media channels allow us to promote new products and services, corporate announcements and thought leadership.

Our suppliers provide us business critical products and services that enable us to drive our business strategy. We work in partnership to deliver best value for our operations as well as develop their capabilities and capacity.

How We Engage

Building relationships with the community through partnerships with local NGOs to foster digital inclusion initiatives, corporate responsibility programmes and needs assessment of local stakeholders. We communicate our initiatives through digital and print media.

We engage with the media through interviews, press releases, conferences and other engagement activities.

We conduct engagements with key suppliers to understand solutions and services that can drive operational excellence. We recognise outstanding suppliers through the Biennial Axiata Supplier Awards, and address opportunities for improvement during performance management and the Annual Supplier Forum.

Matters Raised

- Support of the UN SDGs
- Building capacity of future leaders
- Pre- and post-disaster assistance
- Addressing local social needs
- Developments in digital connectivity and of the wider digital ecosystem for society at large during the pandemic

- Corporate developments
- Financial and market performance
- Industry trend and issues
- Technology breakthroughs
- National policy matters

- Performance against Supplier Code of Conduct
- Emerging corporate developments and understanding the long-term strategy
- Opportunities for vendor development
- Supplier support and continuity of services during pandemic

Axiata's Response and Results

- Digital and Financial Inclusion initiatives covering aspects of digital skills, and digital connectivity and inclusivity
- Disaster Management and Response initiatives
- Developing national talent towards becoming future leaders
- Established Digital Innovation Funds in three countries to spur innovation and local entrepreneurship

- Providing regular performance, network and Mergers and Acquisitions updates
- Implementation of the Axiata 5.0 Vision to advance our digital footprint

- Sourcing local vendors
- Supporting the Bumiputera Empowerment Agenda in Malaysia to build local, regional and global champions
- Verticalisation of procurement services across the Group to provide scale
- Supporting local direct and indirect employment through our supply chain
- Value chain discussions for telco industry to operate during pandemic as an essential infrastructure service

An Illustrative Case Study of Our Industry Engagements in 2021: CEO Action Network (CAN) Malaysia

Background

Established in 2020, CAN is a closed-door coalition of peer-to-peer business leaders comprising CEOs and Board members of major companies in Malaysia. CAN aspires to catalyse the integration of ESG into business models to create an ecosystem for sustainable businesses and sustainable development. It is following through on this through a dedicated Working Group, Workstreams and members actively driving initiatives addressing three focus areas of advocacy, capacity building and sustainability performance.

In 2020, Axiata Group became one of the 54 members of CAN and have been actively participating in the Policy Advocacy Workstream. We are also engaging with various stakeholders including our supply chain, regulators and policy makers, the government, and our cross-sectoral peers to share industry best practices and strategies that can future proof companies.

The Issue

- The Climate Change agenda requires urgent action through an 'All of Government and Whole of Society' multiple stakeholder approach to effectively mitigate and limit environmental impacts
- With almost 70% of ESG impacts arising from businesses' supply chains, it is necessary to elevate SMEs' awareness and focus on the importance of ESG factors to reduce risks and obtain their support to achieve targets

Our Response

In September 2021, Axiata joined CAN members to publicly pledge to 14 Collective Commitments covering the three categories of environment, people and governance. We have committed to achieving our goals by 2023 or within three years of becoming a member of CAN.

Our Risks Linked To Strategy

	Financial Risk Risk Level: ●	Market Risk Risk Level: ●	People Risk Risk Level: ●
Risk Category	Financial Risk	Strategic Risk	Operational Risk
Risk Movement	Increased in 2022	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> Exposure to foreign exchange (forex) currency volatilities across 11 markets of operation, specifically the socio-economic and political crisis in Sri Lanka Exposure to funding and cashflow constraints in anticipation of Merger and Acquisition (M&A) activities, as a result of limited balance sheet headroom Challenging COVID-19 operating environment could cause difficulties in meeting financial targets 	<ul style="list-style-type: none"> Operating in emerging markets with challenging macroeconomic and geopolitics Fragmented market structures and high infrastructure costs Rapidly advancing IR 4.0 and telco technologies 	<ul style="list-style-type: none"> Increasing demand for digital and compliance-based talents Loss of key talents remains a pressing concern Health and safety of all employees are a key priority, largely due to COVID-19
Impact	<ul style="list-style-type: none"> High risk impact Inability to pay shareholder dividends, ensure sustainable growth and continue as an ongoing business concern 	<ul style="list-style-type: none"> High risk impact Failure to meet financial targets will affect profitability and competitive ability, with greater cost leakages 	<ul style="list-style-type: none"> High risk impact Business disruption
Mitigating Actions and Opportunities Arising	<p>Risk Owners: Axiata Treasury Management Centre</p> <ul style="list-style-type: none"> Closely monitoring forex movements and formulates hedging strategies to minimise exposure on foreign loans Monitoring Gross Debt/EBITDA level to ensure it is within the set threshold Revisiting investment/funding plans, reviewing product plans, monitoring OpCo dividend policy and setting financial guardrails Reviewing business structure to identify business leakages and enhance the business model Closely monitoring developments in Sri Lanka and impacts on Dialog's business, as well as in Myanmar on edotco's business, where the latter's potential impact to the Group is less than 5% of our net assets Whilst developments in Ukraine have no direct impacts on our businesses as yet, we are closely tracking the likely indirect impact of the conflict 	<p>Risk Owners: OpCo CEOs</p> <ul style="list-style-type: none"> Aggressive M&A, focusing on industry consolidations in targeted markets Seeking opportunities for telco infrastructure sharing to reduce investment costs Investing in new technologies for the competitive edge Establishing strategies with digital players to meet evolving customer needs and reap higher revenue yield per customer 	<p>Risk Owners: Group People Division</p> <ul style="list-style-type: none"> Active talent hiring agenda and robust talent development programmes Competitive salary packages benchmarked against peers, attractive performance-based rewards and a positive working environment Imposing stringent working protocols and SOPs for Work-In-Office and Work-From-Home arrangements to combat COVID-19 Enhancing the AxiataCares programme at Group and OpCo levels
Key Risk Indicators	<ul style="list-style-type: none"> Composition of local vs foreign currency borrowings across all OpCos Gross Debt/EBITDA level OpCos actual vs budget financial performance 	<ul style="list-style-type: none"> ROIC < WACC Achievement of cost savings target 	<ul style="list-style-type: none"> Turnover rate Employee engagement survey
Changes for 2021	<ul style="list-style-type: none"> Strengthened the monitoring of internal processes and governance Reviewed business plans to maximise business outputs/profitability whilst enhancing business cost optimisation initiatives 	<ul style="list-style-type: none"> Improved ways of doing business Strategic move towards digitisation and digital markets 	<ul style="list-style-type: none"> Improved employee wellbeing programme Tightened SOPs and daily tracking of employees' health declaration Enhanced AxiataCares programme
Link to Strategy and Material Matters	<p>Our Strategic Response</p> <p>① ② ③ ⑨</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Sustainable Business Growth Emergency Disaster and Response 	<p>Our Strategic Response</p> <p>② ③ ④ ⑨</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Data Privacy Digital Inclusion Sustainable Business Growth Business Ethics and Compliance Regulatory and Political Risk 	<p>Our Strategic Response</p> <p>③ ④ ⑦ ⑧</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Talent Development Fair Employment and Welfare Employee Health, Safety and Wellbeing

Our Risks Linked To Strategy

	Geo-Political Risk Risk Level: ●	Strategic and Investment Risk Risk Level: ●	Technology Risk Risk Level: ●
Risk Category	Strategic Risk	Strategic Risk	Operational Risk
Risk Movement	Unchanged	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> Political instabilities, civil unrest and other social tensions Adverse regulatory changes and uncertainty in policy making 	<ul style="list-style-type: none"> Industry restructuring and rationalisation via market convergence and consolidation Challenges and investment cost of growing the digital and Enterprise business 	<ul style="list-style-type: none"> Continuous investments in new technologies, upgrades and equipment Rapid technological advances may result in premature obsolescence of key technology and equipment before their end life cycle
Impact	<ul style="list-style-type: none"> High risk impact Disruption of business operations, with negative market sentiment eroding investor confidence in the longer term 	<ul style="list-style-type: none"> High risk impact Sustainable business growth 	<ul style="list-style-type: none"> High risk impact Business disruption
Mitigating Actions and Opportunities Arising	<p>Risk Owners: OpCo Management, Group Regulatory</p> <ul style="list-style-type: none"> Closely collaborate with OpCos to track market geo-political developments, and tap into their local expertise, familiarity and connections to assess changing scenarios Maintain a neutral stance and foster healthy government relations across all markets Contribute to national socio-economic development through various CSR programmes 	<p>Risk Owners: Mergers and Acquisitions Committee, Group Corporate Development</p> <ul style="list-style-type: none"> Active M&A activities balanced by robust due diligence to evaluate, manage and anticipate potential risks and challenges Post-acquisition transitional teams to ensure alignment and adoption of Axiata's organisational, operational and cultural values Seeking out opportunities for infrastructure sharing to manage cost whilst maintaining strategic alliances Closely monitoring the market landscape to anticipate other developments that may heighten competition 	<p>Risk Owners: Group Technology</p> <ul style="list-style-type: none"> Constantly reviewing and refreshing our technology to remain relevant whilst maintaining financial prudence Future proofing is a critical criterion in network equipment selection and built into the procurement process Increasing digitisation and automation efforts to ensure optimum technology utilisation Proactively conducting studies on technological advancements, especially in 5G, while charting future network strategy Monitoring the implementation of various systems and applications across all divisions and seeking out opportunities for consolidation and synergies
Key Risk Indicators	<ul style="list-style-type: none"> General elections and key geo-political events that may give rise to political instability and civil unrest 	<ul style="list-style-type: none"> ROIC < WACC 	<ul style="list-style-type: none"> ROIC < WACC Digitisation and automation across all functions
Changes for 2021	<ul style="list-style-type: none"> Improved monitoring processes of key geopolitical events, and anticipating emerging risks 	<ul style="list-style-type: none"> Improved due diligence exercise with the increased importance of non-quantitative factors, especially anti-bribery and anti-corruption compliance and due diligence 	<ul style="list-style-type: none"> Improved processes and internal control
Link to Strategy and Material Matters	<p>Our Strategic Response</p> <p>① ③ ⑦ ⑧</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Sustainable Business Growth Business Ethics and Compliance Talent Development Fair Employment and Welfare Regulatory and Political Risk Community Development 	<p>Our Strategic Response</p> <p>① ③ ⑥ ⑦ ⑧ ⑨ ⑩</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Digital Inclusion Sustainable Business Growth Digitisation and Modernisation Talent Development Supply Chain Management 	<p>Our Strategic Response</p> <p>② ③ ④ ⑤ ⑥</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Network Quality and Coverage Digital Inclusion Digitisation and Modernisation Supply Chain Management Community Development

Our Risks Linked To Strategy

Regulatory Risk

Risk Level: ●

Cyber and Data Privacy Risk

Risk Level: ●

Risk Category	Compliance Risk	Operational Risk
Risk Movement	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> Broad range of telco regulations, depending on market maturity Potential increase in tax and levies imposed by the relevant regulatory bodies 	<ul style="list-style-type: none"> Maintaining customer data confidentiality, integrity and system availability Providing protection against cyber security attacks and data privacy breaches Inspiring customer confidence, and digital trust and resilience as a competitive differentiator
Impact	<ul style="list-style-type: none"> High risk impact Policies and regulations could disrupt business operations, impair returns and long-term growth prospects, as well as limit our flexibility to respond to market conditions, competition and new technologies 	<ul style="list-style-type: none"> Service interruption resulting in loss of service confidence and market share Business disruption, and exposure to penalties for breach/leakage of confidential information and non-compliance of regulatory requirements such as the Personal Data Protection Action 2010 Compromising customers' confidence may lead to business loss
Mitigating Actions and Opportunities Arising	<p>Risk Owners: Group Regulatory</p> <ul style="list-style-type: none"> Collaborating with other telco players to present a united voice advocating strict compliance, and fair and transparent policies Active engagements and dialogues with regulatory and government officials to anticipate emerging regulations, and address and highlight concerns of the telco sector, to advocate sustainable regulatory regimes Participating in government consultations and industry events, to foster collaboration and knowledge sharing for best industry policies and practices Dedicated Subject Matter Experts (SMEs) to monitor regulatory compliance at Group level and across all OpCos 	<p>Risk Owners: Group Risk and Compliance</p> <ul style="list-style-type: none"> Maturing cyber security and data privacy across all OpCos against global benchmarks and best practices by adopting and aligning to internationally recognised standards such as the NIST Framework, IAPP¹/ CIPM² and CMMI³ based Privacy Maturity models Establishing a long-term Data Privacy and Cyber Security Strategy Framework and Roadmap, ensuring alignment and standardisation across all OpCos to meet strategic objectives Embedding Cyber Security and Data Privacy controls by design across all business facets by incorporating the related standards and requirements in: <ul style="list-style-type: none"> Protecting our hardware and software Improving Training and Awareness Reducing third-party risk through the Supplier Code of Conduct and improved contract clauses Periodic automated assessments and remediation to identify gaps Incorporating Cyber Security and Data Privacy performance metrics into OpCos' KPI scorecards
Key Risk Indicators	<ul style="list-style-type: none"> Regulatory Compliance scorecard Emerging regulatory requirements and government policies that may impact our business Record tax hike/pressures and penalties across all OpCos 	<ul style="list-style-type: none"> Monitoring cyber-attacks/breach/incidents and their impact on business operations Maturity level assessment defined in the Cyber Security and Data Privacy scorecard across all OpCos Measuring the mean time to respond on cyber events and its improvement trends
Changes for 2021	<ul style="list-style-type: none"> Improved regulatory compliance monitoring and insights More agile responses in adopting and adapting to adverse regulatory changes 	<ul style="list-style-type: none"> Expansion of scope of processes and internal controls Improvements in monitoring use-cases and response plans * Use of automation for improvements in scale, speed and repeatability
Link to Strategy and Material Matters	<p>Our Strategic Response</p> <p>④ ⑦</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Network Quality and Coverage Data Privacy Digital Inclusion Sustainable Business Growth Climate Action Business Ethics and Compliance Digitisation and Modernisation Regulatory and Political Risk Resource and Waste Management 	<p>Our Strategic Response</p> <p>② ③ ④ ⑦</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Data Privacy Sustainable Business Growth Business Ethics and Compliance Regulatory and Political Risk

Notes: ¹ IAPP = International Association of Privacy Professionals
² CIPM = Certified Information Privacy Manager

³ CMMI = Capability Maturity Model Integration

Risk Level: ● Medium Level ● Medium to Medium High Level ● Medium High Level ● High Level

Our Risks Linked To Strategy

	Operational Risk Risk Level: ●	Governance Risk Risk Level: ●
Risk Category	Operational Risk	Compliance Risk
Risk Movement	Unchanged	Unchanged
Context	<ul style="list-style-type: none"> Complex end-to-end telco business with three distinct business segments of Digital Telcos, Digital Businesses and Infrastructure Supply chain disruptions due to global lockdowns imposed as a result of the pandemic 	<ul style="list-style-type: none"> Ensuring high ethical standards and good corporate governance Section 17A of the MACC⁴ Act came into effect in June 2020 and has taken centre stage in corporate governance focus Heightened investor focus on ESG risks
Impact	<ul style="list-style-type: none"> High risk impact Business disruption 	<ul style="list-style-type: none"> High risk impact Loss of investors' confidence Potential material penalties in the event of breach/non-compliance with the MACC Act related to ABAC
Mitigating Actions and Opportunities Arising	<p>Risk Owners: Group Technology, Group Procurement</p> <ul style="list-style-type: none"> Monitoring vendor performance, especially for major and high risk vendors Monitoring supply availability, according to current and future needs Exploring alternative vendors to reduce dependencies Establishing clear Business Continuity Management (BCM) plans to address supply chain risks, disruptions, and the business recovery strategy based on multiple crisis simulation scenarios 	<p>Risk Owners: Group Risk and Compliance, Group People Division, Group Sustainability</p> <ul style="list-style-type: none"> Axiata's Code of Conduct guides personnel conducting business for/on behalf of the Group Implementation of Group-wide Corporate Compliance Programme to build strong governance in conformance to the TRUST principles defined in the MACC Act, and strengthening Axiata's compliance maturity Establishment of a strong governance structure with the BRCC and the Risk and Compliance Management Committee Establishing the Sustainability Steering Committee and developing the Sustainability Roadmap ensuring Group-wide efforts towards common goals
Key Risk Indicators	<ul style="list-style-type: none"> Service/supply disruption and business downtime Performance of major and critical vendors 	<ul style="list-style-type: none"> Non-compliance/breach cases/deviation from Group's governance policy instruments Bribery and corruption charges that may lead to corporate liability charges Regulatory fines
Changes for 2021	<ul style="list-style-type: none"> Improved supply chain management strategy Strengthened monitoring process to specifically manage COVID-19 impacts and government sanctions imposed on identified high risk vendors 	<ul style="list-style-type: none"> Improved the governance structure, process and culture, especially in the area of ABAC compliance
Link to Strategy and Material Matters	<p>Our Strategic Response</p> <p>③ ④ ⑦ ⑧</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Data Privacy Digital Inclusion Sustainable Business Growth Supply Chain Management Digitisation and Modernisation Community Development Employee Health, Safety and Wellbeing Emergency Disaster and Response 	<p>Our Strategic Response</p> <p>③ ⑦ ⑧</p> <p>Link to Material Matters</p> <ul style="list-style-type: none"> Data Privacy Sustainable Business Growth Climate Action Business Ethics and Compliance Regulatory and Political Risk Resource and Waste Management

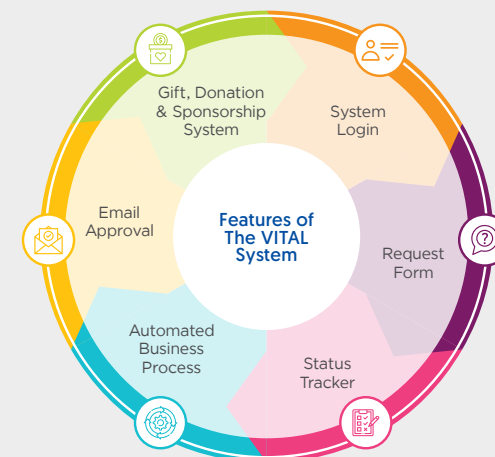
An Illustrative Case Study on How We Identified and Mitigated against Anti-Bribery and Anti-Corruption (ABAC) Risks

The Issue

Following the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 that came into effect in June 2020, there was a need to review and monitor the Gifts, Donations and Sponsorships (GDS) transactions across Axiata Group. To strengthen governance, the GDS Policy and GDS Committee were introduced in June 2020. However, the manual review process, document record-keeping and approval poses a risk of human error, inconsistencies of record-keeping and operational inefficiencies.

Our Mitigation Plan

To mitigate these risks, we rolled out a digitisation initiative in 2021 to automate the process. Our aims were to improve lead time, transparency and reporting, as well as process GDS transactions across Axiata Group. Known as the VITAL system, its name is in line with the VITAL values and principles embedded in our ABAC Policy.



Value Created

- Increase operational efficiency when executing GDS related transactions process
- Ease the process and mobility of doing business with both web and app based features
- Track and monitor the completion status of all GDS transactions logged in
- Enable cross-referencing and checking to ensure no overlap of transactions thus reducing fraud risk
- Store all related supporting documents in a secured environment
- Track patterns, outliers of the GDS transactions recorded and provide valuable insights to management of key high risk areas that may require attention
- Generate automated reporting across the Group thus allowing consistency and depth of information being reported to the GDS Committee

Note: ⁴ MACC = Malaysian Anti-Corruption Commission

Risk Level: ● Medium Level ● Medium to Medium High Level ● Medium High Level ● High Level

📄 **GAFS, Statement On Risk Management And Internal Control** on pages 25 to 32

Evolving And Adapting Our Strategy To Capture New Normal Growth Opportunities

Axiata's journey towards becoming The Next Generation Digital Champion by 2024 is steered through the execution of our Axiata 5.0 Vision

Our strategy guides us towards developing an inclusive regional connectivity and digital ecosystem that empowers communities and businesses to build a better future for themselves. With the digital age having firmly arrived, our three core businesses are primed to serve new normal shifts and demands, to continue delivering strong growth momentum.

We are stepping up on core competencies and organisational efficiencies, and contributing towards strengthening digital ecosystems in line with our goal to drive long-term value creation. Having built positive traction through the Group-wide execution of Axiata 5.0 over the past three years, we remain committed to disciplined execution of our strategy to deliver on our promise of inclusive and sustainable growth in line with our purpose of Advancing Asia.

VISION

The Next Generation Digital Champion by 2024

ASPIRATIONS

Digital Telcos


Transform from Mobile-Centric Telcos to Converged Digital Operators, to become #1 or strong #2 in all our markets

Digital Businesses

Create 2 "Unicorns"

Infrastructure

Top 5 Global TowerCo

 IAR, In Conversation With The PGCEO, Key Trends and Our Risks Linked To Strategy on pages 13 to 26, 28 to 29 and 33 to 36

AXIATA 5.0 VISION: 3 CORE PILLARS AND 10 KEY FOCUS AREAS



Advancing Healthcare For Everyone

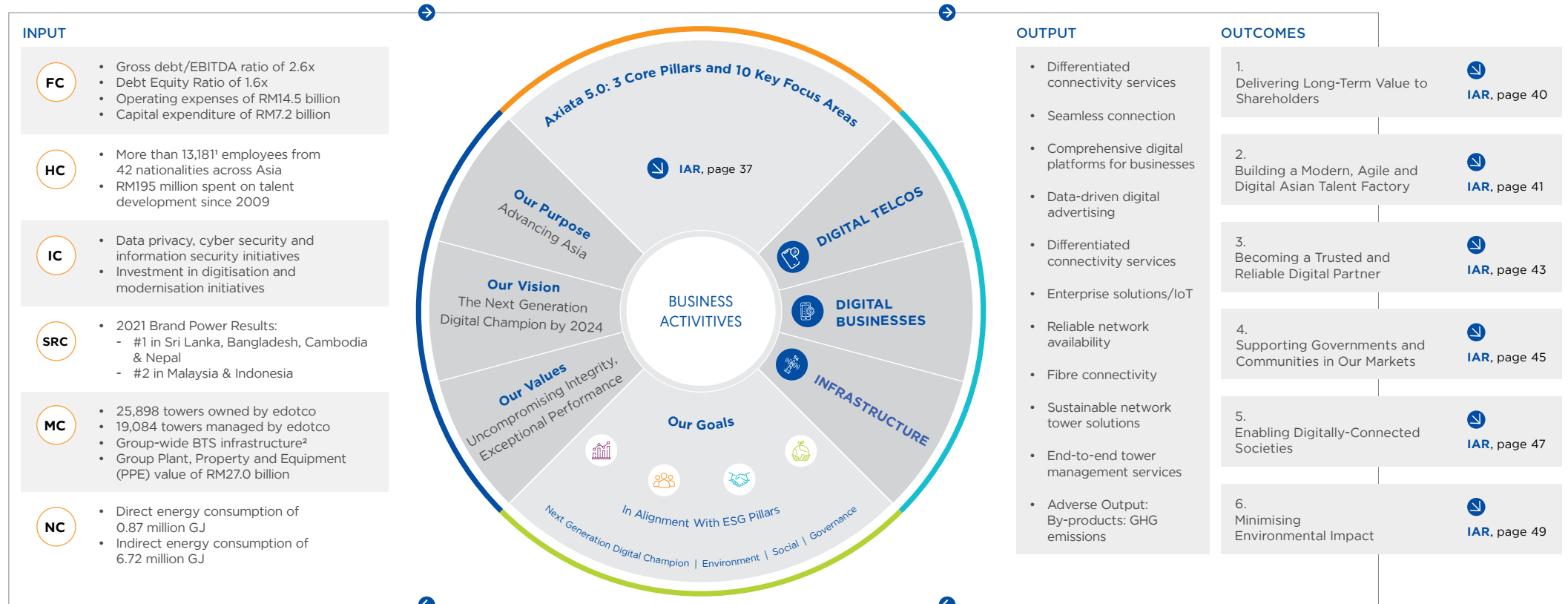
A digital healthcare and wellbeing assistant in Nepal that connects with doctors, therapists and lifestyle advisors

NCELL TELEMEDICINE



**How We
Create Value**

Our Value Creation Model



TRADE-OFFS

Financial Capital (FC)

- Used our FC across all our capitals to sustain business growth
- Leveraged on our IC of Collective Brain to drive cost optimisation to improve FC management
- Continued paying dividends to shareholders, thus boosting our SRC

Human Capital (HC)

- Invested FC in training and development to drive digital skills amongst our workforce, thus improving our IC and HC
- Our IC of Flex@Axiata offers employees remote working options via digital platforms thus further supporting IC
- In the longer term, FC spent on wages for HC efforts to achieve the Axiata 5.0 Vision will shore up our SRC, FC and IC

Intellectual Capital (IC)

- Invested FC in new technologies, digitisation and analytics, AI/ML and Analytics at the Edge, thus enhancing our IC in the longer term
- Our robust IC has enabled us to expand and enhance our suite of products for Consumer, Home and Enterprise segments, to capture new normal opportunities which will augment our FC and improve SRC in the longer term
- IC investments in shoring up data privacy and cyber security is key to inspiring customer trust, thus boosting our SRC

Social & Relationship Capital (SRC)

- Expended HC manhours through volunteerism activities and FC to support community programmes and initiatives
- Continued to grow our SRC by helping communities to cope with the impacts of the COVID-19 pandemic
- Engaged with industry peers, regulators and governments to contribute to sustainable development through our partnerships and thought leadership, thus boosting SRC, IC and FC in the longer term

Manufactured Capital (MC)

- Enhanced MC by investing FC in network upgrades and expansion
- Improved seamless user experience from upgrades led to better customer experiences to improve SRC
- As we invest in MC, we are also investing in advanced technologies to future proof ourselves, thus improving IC

Natural Capital (NC)

- Energy consumption of our MC has negative impacts on NC
- Invested FC in IC for more efficient technologies towards efficient energy use in our MC of networks and buildings
- Invested our IC and FC to draw up the Axiata Net-Zero Carbon Roadmap to achieve net-zero by 2050, thus enhancing our NC, MC, SRC, IC and FC in the longer term

Outcome 1: Delivering Long-Term Value To Shareholders

Our Value Creation Goals

- Maximise shareholder value by maintaining sustainable dividend payout
- Sustained long-term business growth and profitability by ensuring financial resilience

Activities and Processes to Create Value

- Achieved cost excellence with RM2.0 billion in savings, including RM1.1 billion from Collective Brain initiatives
- Aligned OpCos' dividend policy and payout ratio to support Axiata's aspiration to become a High Dividend Company by 2024
- Disposed 5% stake in XL to Indonesian investor Ferrymount Investments, bringing global and digital business partnerships to further develop XL's digital and value-added services
- ADA closed its second round of funding, with RM246.4 million investment from SoftBank Corp. which established a valuation of > RM1 billion
- edotco Malaysia completed the acquisition of Touch Mindscape Group in December 2021 to bolster position in Malaysia
- Lower financing cost by taking advantage of the low interest rate environment through the 2020 dual-tranche offering of a 10-year Sukuk (issued at 2.163%) and 30-year Euro Medium Term Notes (issued at 3.064%)
- Monetised higher demand for data and content arising from change in consumer usage patterns amidst the pandemic with improved products, reliable network and strong distribution
- Strengthened Enterprise offerings beyond connectivity with ICT solutions, to ride on the digital transformation wave amongst businesses
- Activated new spectrum in Sri Lanka and Nepal leading to improved 4G network capacity and coverage, thus enhancing competitiveness

Connectivity & Interdependencies in Our Business Model

Capitals



4P Goals



Material Matters

- Sustainable Business Growth

Stakeholders

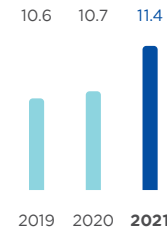


How We Measure and Communicate Our Value

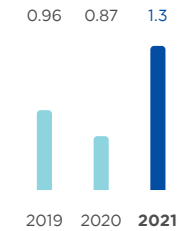
Revenue (RM billion)



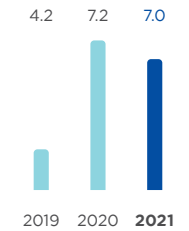
EBITDA (RM billion)



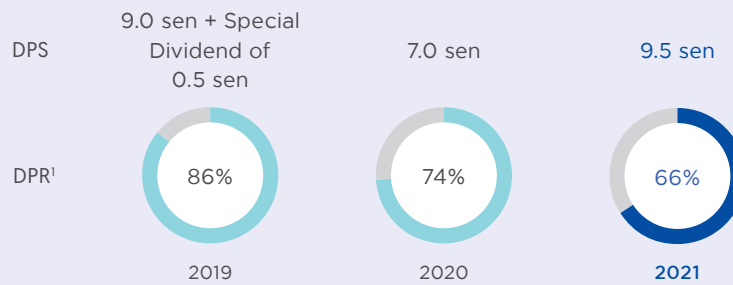
Normalised PATAMI (RM billion)



Cash Balance (RM billion)



Dividend Per Share (DPS)/Dividend Payout Ratio (DPR)

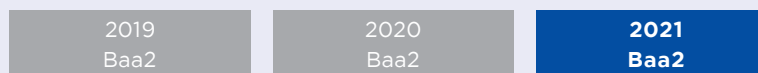


Gross debt/EBITDA ratio



Credit Ratings

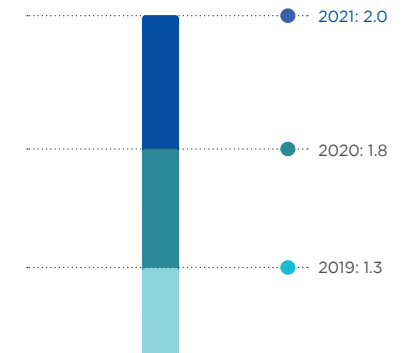
Moody's



S&P



Cost Savings (RM billion)



With operational excellence as a Key Focus Area of the Axiata 5.0 Vision, the Cost Excellence Programme continued to deliver strongly with **RM2.0 billion** savings in 2021 across capex and opex

2021 Collective Brain savings of **RM1.1 billion**

Note: ¹ DPR - Dividend Payout Ratio excluding special dividend

Outcome 2: Building A Modern, Agile And Digital Asian Talent Factory

Our Value Creation Goals

- Talent development platform geared towards being a Modern, Agile and Digital (M.A.D.) Asian Talent Factory
- Attract and retain talented employees
- Diverse workforce with multiple opportunities for career advancements

Activities and Processes to Create Value

- Built a collaborative culture of digital and innovation through programmes and platforms such as LEAP¹, Collective Brain², FastForward³ and Synapse⁴
- Achieving operational excellence through the AI@Scale initiative driven by AGA⁵ and creating an AI-first organisational mindset via ACE⁶
- Driving a robust data privacy and cyber security culture through a combined training programme and international standards based independent maturity assessment
- Leadership skills and internal talent development programmes of GAP⁷ and OADP⁸
- Introduced the Axiata Way, our unique identity where we take a balanced approach to achieve our goals, without compromising our ethics and integrity
- Flex@Axiata for flexible working arrangements
- Workplace Transformation for hyper-collaboration and co-creation
- Ignite as an enhanced performance management system
- People Quality Framework refined to elevate Culture Fit and Leadership
- AxiataCares for employee wellbeing, career growth and community service
- Pivoted our culture framework to Our Winning Culture, with our Core Values as our foundation, and recalibrated M.A.D culture as part of our New Ways of Working (WoW)
- Elevated commitment to Diversity, Equity and Inclusion (DEI):
 - Signed the United Nations Women Empowerment Principles Charter
 - Launched Women of Axiata and Males Allies initiative
 - Joined 30% Club Malaysia towards increasing female representation at Board and senior levels
 - Participated in Leadwomen Women Empowerment Training and Leadwomen Women in Leadership programmes
 - Established DEI Circle with representatives/advocates from all OpCos

Connectivity & Interdependencies in Our Business Model

Capitals



Material Matters

- Customer Service
- Talent Development
- Fair Employment and Welfare
- Employee Health, Safety and Wellbeing
- Digitisation and Modernisation

4P Goals



People

Stakeholders



Employees



Suppliers

How We Measure and Communicate Our Value

Advancing as Next Generation Digital Champion

- LEAP Digital Maturity
 - 3 out of 6 OpCos at 'Digital Leader' stage
 - 3 out of 6 OpCos at 'Driving Digital' stage
- Big Data Analytics Index
 - Group Big Data Maturity improved to 92%⁹ in 2021 from 87% in 2020
 - All OpCos are classified as Innovative Leaders based on TM Forum Global Big Data Analytics Maturity Framework
- AI Maturity Index
 - Group-wide average AI maturity increased from 29% in 2020 to 47%¹⁰ in 2021
 - 3 OpCos at Level 4 and advancing while the remaining OpCos have demonstrated accelerated growth in maturity levels
 - All OpCos are well positioned to adopt an AI Factory approach to use case development

ADL

- > 1,100 digital telco professionals: 100+ Certified Cloud Professionals, 20+ UI/UX Experts, 100+ Agile Specialists & 60+ AI/ML experts

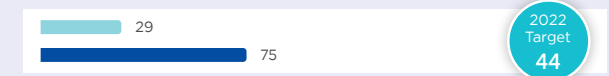
ACE, AGA & Axiata FastForward - AI & Analytics Talents

Currently 177 data professionals, targeting to certify 212 by end 2022

Data Scientists



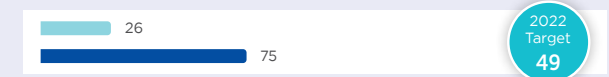
Cloud Engineers



Data Engineers



Data Analysts



Analytics Translator



● Certified as at end 2021 ● Certified as at end 2022

Building Digital Trust with a Robust Data Privacy & Cyber Security Culture

- Mandatory training for staff and vendors: > 90% completion Group-wide & 99.5% completion at Corporate Centre
- Almost all OpCo DPOs¹¹ trained on CIPM¹²
- Group average Privacy Maturity Level of 2.7/5.0, a 91% improvement from 2020
- Group average Cyber Security Maturity Level of 3.7/5.0, a 6% improvement from 2020

Notes: ¹ LEAP = Learn, Engage, Accelerate and Perform programme to assess and accelerate OpCos' digitisation initiatives across all functions
² A platform that integrates collective knowledge to co-create solutions
³ A virtual university with curated learnings based on competencies
⁴ Axiata's knowledge management portal
⁵ AGA = Axiata Group Analytics
⁶ ACE = Analytics Certified Experts
⁷ GAP = Group AXcelerator Programme

Talent Development

RM195 million spent on Talent Development since 2009, with **> 1,700 training hours** logged in 2021

Health & Safety

Average LTIFR¹³ across OpCos ranging from



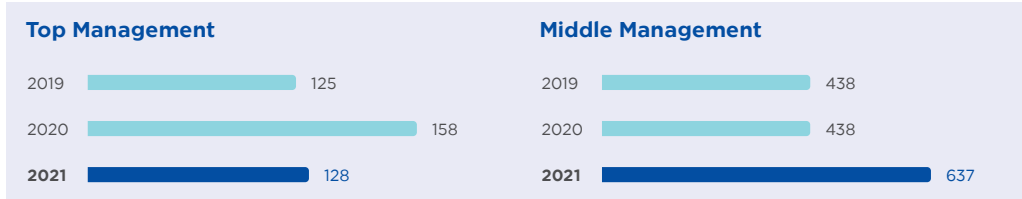
Telco Industry Benchmark of 0.8

⁸ OADP = OpCo Accelerated Development Programme
⁹ Includes XL, Dialog, Robi, Smart, Ncell, ADA and ADL
¹⁰ Includes XL, Dialog, Robi, Smart, Ncell, ADA, edotco and ADL
¹¹ DPOs = Data Privacy Officers
¹² CIPM = International Association of Privacy Professionals Certified Information Privacy Manager
¹³ LTIFR = Lost Time Injury Frequency Rate

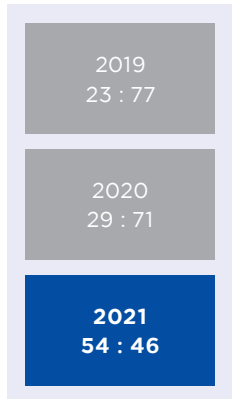
Outcome 2: Building A Modern, Agile And Digital Asian Talent Factory

How We Measure and Communicate Our Value

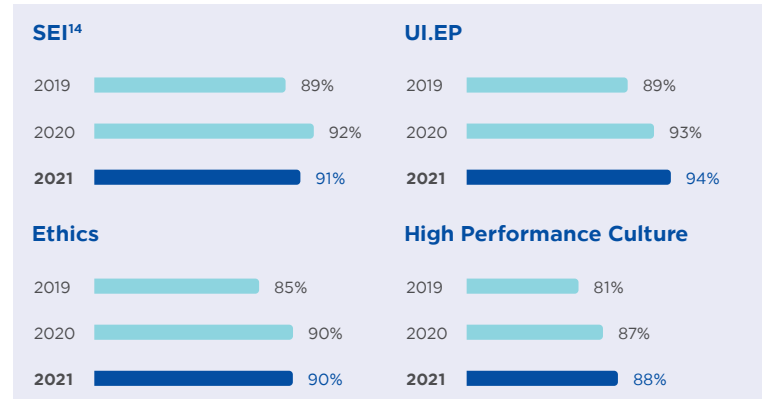
Talent at Axiata



External : Internal Hiring Ratio



Group Employee Engagement Survey Result



Freedom for Collective Bargaining and Joining a Union

- 2 Digital Telcos have employee unions
- Unions represent 3.4% of our employees

ADL's Achievement

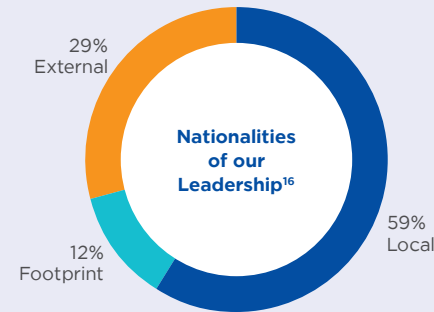
ADL obtained 2 Catalyst Awards at TM Forum's Digital Transformation World Series for its Catalyst Projects:

- "Cross-industry marketplace for CSP collaboration, Phase 3" in Visionary Impact category
- "Measurements of Trust in AI" in Sustainability Leadership category

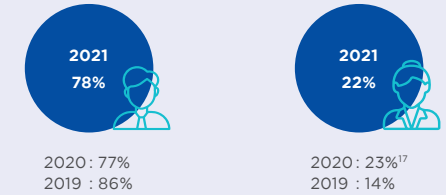
Leadership at Axiata

Leadership Positions in 2021

- 42% filled internally
- 9 out of 12 CEOs¹⁵ filled by internal talents
- Nationalities of our leadership - 28



Gender Diversity in Leadership



Women in Leadership

20% leadership positions¹⁸ held by women in 2021

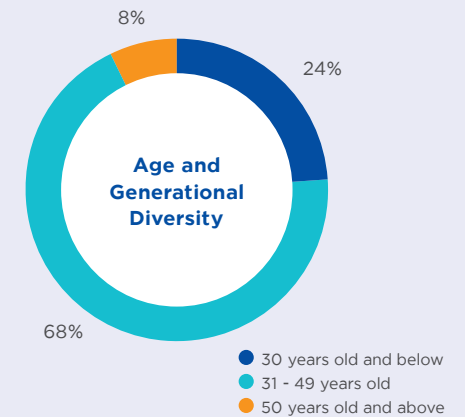
4 female leadership appointments in 2021

Diverse Talent Base

> 40 nationalities employed across our OpCos

Gender Diversity

Male : Female employee ratio



Notes: ¹⁴ SEI = Sustainable Engagement Index

¹⁵ 12 CEOs comprise 7 telco CEOs (including Group CEO) and 5 non-telco CEOs (digital businesses and edotco)

¹⁶ Locals - Locals working in their respective OpCo country. Footprint - Non-locals from Axiata's footprint countries. External: Non-locals from outside Axiata's footprint countries

¹⁷ The 2020 figure for women in leadership covered employees in six digital telcos of Celcom, XL, Dialog, Robi, Smart and Ncell, as well as edotco and Corporate Centre. However, the 2021 figure has been updated to include our digital businesses of Axiata Digital, Boost, ADA and ADL

¹⁸ Women in Senior Management Teams (CEO-1) across Axiata Group

Outcome 3: Becoming A Trusted And Reliable Digital Partner

Our Value Creation Goals

- Provide amazing customer experience across our footprint
- Establish strong brand equity and trust
- Establish digital platforms to cater to customer needs for innovative digital products and services

Activities and Processes to Create Value

- 'Digitising our Core' through 'API-fication', simplification and process digitisation to achieve Operational Excellence
- Network Transformation Programme to standardise and enhance network and conducted three Open RAN commercial trials in Malaysia, Indonesia and Sri Lanka
- IT Blueprint Transformation to an Open Digital Architecture (ODA)
- ADL¹ as our DevOps company transforming our Business Support System with its Digital Telco Enabler platform
- Acquisitions and partnerships to enhance Enterprise proposition
- Developing Beyond Connectivity Solutions for B2B² or B2B2X
- Leveraging on Digitisation and Analytics as core differentiators
- Leveraging AI on an industrialised scale to revolutionise the way Axiata operates and democratise AI driven digital solutions
- Providing digitised customer experiences in line with new normal demands
- Yoodo, a brand under Celcom, is Malaysia's first truly customisable digital telco with 100% of its users managing their lines via the Yoodo app
- Building customer trust and ensuring cyber resilience via Axiata's Cyber Security Strategy - "Digital Trust and Resilience (DT&R2023)"
- Strengthening Group ethics and integrity culture via the Anti-Bribery and Anti-Corruption (ABAC) Plan 2020 - 2023

Connectivity & Interdependencies in Our Business Model

Capitals



Material Matters

- Network and Quality Coverage
- Digitisation and Modernisation
- Customer Service
- Supply Chain Management
- Community Development
- Emergency and Disaster Response
- Data Privacy and Cyber Security
- Digital Inclusion

4P Goals



Stakeholders



Notes: ¹ ADL = Axiata Digital Labs
² B2B = Business-to-Business

³ Axiata began compiling Enterprise customers at Group-level beginning in 2021, in line with advancing its Enterprise proposition regionally

⁴ Axiata began using Brand Power Results in 2020 to measure customer satisfaction

⁵ Axiata started using Digital Reputation Score in 2020

⁶ API = Application Programming Interface for building and integrating application software

How We Measure and Communicate Our Value

Total Number of Mobile Customers (million)



Total Number of Enterprise Customers³

185,000
Total number of enterprise customers in 2021

Digital Reputation Score⁵



ABAC Plan

- **99% completion rate** on mandatory ABAC training
- **Initial ABAC Risk Assessment completed** by all OpCos as at end 2021

Network Transformation Programme

- Better seamless end user experience
- Serve rising regional connectivity needs, especially in rural and underserved areas

IT Blueprint Transformation

Published **> 5,000** APIs⁶ across regional footprint

Brand Power Results⁴



Net Promoter Score



ADA serving regional businesses

- Serving ADA clients in diverse industries across 10 markets with our end-to-end digital solutions
- Presence across 10 markets including Singapore, Indonesia, Bangladesh and South Korea
- Grew to over 1,000 employees across 10 countries bringing together many diverse capabilities in marketing technology, eCommerce, digital media and analytics
- Grew partnerships across all businesses, notably Facebook and Google
- Expanded telco ecosystem to new operators including DTAC, Smart Philippines, Mobifone and Telia

Number of Clients



Outcome 3: Becoming A Trusted And Reliable Digital Partner

How We Measure and Communicate Our Value

Enhanced Enterprise Solutions

Celcom

- One stop SME Biz Suite, to offer digital packages as SME business solutions
- Partnered with Microsoft for Cloud services and Telefonica for cyber security services
- Completed 2 acquisitions to enhance Cloud, Cyber Security and Software-defined WAN services

XL

- Cloud-based productivity tools and connectivity
- XL acquisition of Hipernet to strengthen Enterprise product proposition and add to Enterprise customer coverage

Robi

- Enriched solution capability with next generation products such as ICT, IoT hyper-scaler Cloud and others
- Continued leadership in SME

Dialog

- Increased delivery capabilities in Cloud solutions with acquisition of H One, the largest Microsoft reseller in Sri Lanka and Maldives, as well as a Cloud solutions provider for these 2 countries
- SaaS⁷ offerings including digital marketing

Smart

- Utilising telco data to offer personalised and interactive advertising on Pleng, Smart's music streaming app
- The first Cambodian telco to offer 'Sponsored Data' a B2B2C product for online businesses to offer free data connections to their customers who are on Smart's network

Digitisation & Analytics as Enablers

Celcom

- Celcom e-store recording > 100,000 transactions and averaging > 700,000 visits per month
- Linked > 600 APIs as a part of digital development to enable critical business functions

Yoodo

- > 1.1 million downloads & > 152,000 unique users
- Linked 8 data sources which allows real-time monitoring of digital operations and dashboards

XL

- IoT solution for Smart Homes

Robi

- Successfully launched "AI ML Recommendation Engine" on its own OTT⁸ platform - "BINGE" - which resulted in 12% additional watch hour for 1.5 million of BINGE's user base
- Empowered > 500 employees through self-service BI⁹ using Tableau to their own decisions using data
- Topped the AI Maturity chart among all Axiata OpCos for the 3rd consecutive year, with TM Forum's assessment revealing Robi within the "Advancing" category of AI Maturity

Dialog

- Retail Hub enabling > 50,000 retail partners to perform automated transactions

Smart

- Using Analytics for churn prediction model
- Streamlined access to data across different business functions through implementation of a single data lake

Ncell

- Enhanced digital platforms - Distribution Management System, Single Retailer App, Social Distribution & Customer App

Digitised Customer Experience

Celcom

- Celcom App highest rated app vs peers - 4.7 on Apple App Store & 4.3 on Google Play Store
- App transaction value reached > RM1.5 billion, with > 500,000 YoY active users & > 50% total app penetration

XL

- Added ShopeePay as digital payment method Live.On app, making it a 100% digital experience

Dialog

- MyDialog self-care app most downloaded app in Sri Lanka - > 7 million connections

Robi

- 66% increase in customer interactions at Digital Customer Touchpoints
- 99%+ customer interactions took place in selfcare channels
- 48% growth in MAU¹¹
- 29% growth in monthly digital Chatbot unique users
- #1 self-care app user rating in the Bangladesh Telecommunication Industry - App Store Rating: 4.7 & Play Store Rating: 4.4
- Streamlined access to data across different business functions through implementation of a single data lake

Smart

- New self-care app SmartNas 3.0, with enhanced features and improved UI/UX design

Ncell

- Revamped Ncell App with new UI/UX and added features

Analytics Use Cases

- Repository of over 100 high impact use cases covering all major organisational aspects
- Development of 44 brand new use cases which have been commercially deployed
- Top 15% of use cases have successfully been replicated across the majority of OpCos

Group Digital Interaction Ratio¹⁰ Improvement



Strengthened Data Privacy and Cyber Security

- Improved CMMI¹² Maturity Level for NIST¹³ functions across all OpCos to 3.7 in 2021, from 3.5 in 2020
- Cyber Defence staffing and skilling improved internally by 15% over use of external resources
- Implemented Groupwide Data Privacy processes on Risk Assessment, Privacy by Design, and Data Breach simulation exercises
- Synergistic programmes promoting collaboration led to development of improvements in technical standards for Cloud, Telco and Application Development
- Implemented new technology to improve cyber security Group-wide
- Culture and People risk initiatives improved cyber awareness and reduced the threat of phishing exposure
- 91% compliance on baseline security controls applied to critical IT assets
- 73% improvement in Mean Time to Respond times Group-wide

Notes: ⁷ SaaS = Security as a Solution
⁸ OTT = Over the Top
⁹ BI = Business Intelligence

¹⁰ As of 2021, digital interactions refer to all customer queries, complaints and conversations via self-care apps and other digital channels. This differs from 2020 digital interactions which included digital recharge transactions. Axiata began monitoring Digital Interaction Ratio in 2020

¹¹ MAU = Monthly Active Users

¹² CMMI = Capability Maturity Model Integration

¹³ NIST = National Institute of Standards and Technology

IAR, In Conversation With The PGCEO on pages 13 to 26

SNCR, Digital Inclusion, Social Value Creation and Responsible Business Practices on pages 29 to 41, 58 to 84 and 88 to 90

GAFS, Building Digital Trust Through Data Privacy and Cyber Security on pages 35 to 37

Outcome 4: Supporting Governments And Communities In Our Markets

Our Value Creation Goals

- Contribute to the socioeconomic development of the countries we operate in
- Advance national digital ambitions and aspirations

Activities and Processes to Create Value

- Continued supporting governments and communities throughout the region through the COVID-19 pandemic, Gross Domestic Product contributions, tax and fee payments and job creation
- Accelerated 5G roll out throughout our footprint to support national 5G ambitions, and developed digital programmes and services to contribute to national digital policies
- Expanded and enhanced network coverage and quality in line with national Quality of Service policies and national digital agendas
- Championed female empowerment through AYTP¹ programmes and GSMA's Connected Women Initiative
- Provided humanitarian aid to communities in need in line with GSMA's Humanitarian Connectivity Charter
- Sustained edotco's community outreach programmes - Tower 2 Community provided electricity from renewable energy sites, clean water and humanitarian relief; EVE² programme enabled staff to give back to society and contribute to UN SDG Goal 2 (Zero Hunger)
- OpCos CSR³ programmes to elevate the socioeconomic status of communities

Connectivity & Interdependencies in Our Business Model

Capitals



Material Matters

- Network Quality and Coverage
- Digital Inclusion
- Community Development
- Emergency and Disaster Response
- Business Ethics and Compliance
- Regulatory and Political Risk
- Climate Action
- Resource and Waste Management

4P Goals

- Partnership
- Planet & Society

Stakeholders

- Customers
- Community
- Media
- Regulators and Government
- Suppliers

How We Measure and Communicate Our Value

Total National Contribution (USD billion)



Number of Jobs Supported Across the Region (million)



Total Taxes and Fees Paid (USD billion)



Tower 2 Community Impacts



Contributing to Advancing National Digital & QoS Policies

Celcom

Jalanan Digital Negara (JENDELA) | MyDigital National Transformation Blueprint

- 100% completion on roll out and upgrading of 4,165 sites in line with JENDELA
- Advanced 5G services by successfully initiating Malaysia's first Voice-over 5G New Radio (VoNR) trial call
- Celcom and Huawei deployed the world's first large-scale FDD⁴ Smart 8T8R network for seamless 4G experience
- > 1,000 sites upgraded in rural areas as part of USP⁵ programmes

XL

Indonesia Digital Roadmap

- Collaborated with Huawei to test wireless broadband solution - "Huawei RuralStar Pro" - featuring LTE for backhaul in Kalimantan to expand broadband connection in remote areas
- Collaborated with BAKTI⁶ to optimise the USO⁷ scheme in ~ 181 remote points in Maluku Islands and Papua
- Expanded 4G network in rural areas in West Kalimantan by adding > 260 4G BTS

Robi

Digital Bangladesh

- Robi's 333 - the short code for accessing public services in Digital Bangladesh obtained Honourable Mention for Best Innovation Public Service at Bangladesh Innovation Awards 2021
- bdapps, an initiative by Robi, recognised as the National App Store by Government's ICT Division
- With 73.7% of active subscribers being data users, and 44.4% of active subscribers being 4G users, Robi is leading the digitalisation drive in the industry

Dialog

National Digital Policy for Sri Lanka

- Added 453 new sites to the mobile network in 2021 reaching a total of 4,380 sites by end 2021
- Dialog is supporting TRCSL's⁸ Gamata Sanniwedanaya Project and has initiated 233 new site projects in 9 districts by end 2021, with 3 sites deployed by end 2021
- Coverage enhancements in 2021 resulted in improvements to coverage in 1,028 villages
- Deployed 415 lamp poles and macro towers along railway tracks island-wide to facilitate Mission Critical Communication Solutions (MCS) for SL Railways and to ensure uninterrupted mobile connectivity for railway commuters

Smart

Digital Cambodia

- Improved 4G LTE network coverage and quality in rural areas by adding 385 BTS in 21 provinces
- All new locations are fully equipped with advanced LTE technology for better Internet speed
- Deployed QoS feature in EPC⁹ by prioritising numerous OTT¹⁰ and VoIP¹¹

Ncell

Digital Nepal

- Collaborated with MoCIT¹² and NTA¹³ to set up digital labs in 60 government schools benefitting > 30,000 students
- Increased 4G population coverage to 76.6% in 2021, from 58.1% in 2020

edotco

JENDELA (Malaysia)	Digital Cambodia	Digital Bangladesh
Bangladesh Smart City	National Digital Policy for Sri Lanka	5G Strategic Plan & Policy (Pakistan)

- Malaysia - Awarded JENDELA Phase 1 Project under 14 clusters for 220 sites
- Cambodia - Orkide Botanic Fibre Project rolled out fibre to ~ 900 homes
- Bangladesh - Exploring Fibre POC¹⁴ with partners
- Sri Lanka - Partnering with Hutch on Open RAN POC
- Philippines - Ongoing roll out with Globe Telecom customers
- Pakistan - Focusing on B2S¹⁵ roll outs and exploring fibre opportunities

Boost

PENJANA ¹⁶ Economic Recovery Plan	Shop Malaysia Online ¹⁷
--	------------------------------------

- RM50 ePENJANA Credits Programme
- Collaborated with MDEC¹⁸ on the Micro-SME e-Commerce campaign for smaller tier merchants to pivot from offline to online business models

Notes: ¹ AYTP = Axiata Young Talent Programme
² EVE = Employee Voluntary Engagement
³ CSR = Corporate Social Responsibility
⁴ FDD = Frequency Division Duplex
⁵ USP = Universal Service Provision
⁶ BAKTI = Telecommunications and Information Accessibility Agency
⁷ USO = Universal Service Obligation

⁸ TRCSL = Telecommunications Regulatory Commission of Sri Lanka
⁹ EPC = Evolved Packet Core
¹⁰ OTT = Over-the-Top
¹¹ VoIP = Voice Over Internet Protocol
¹² MoCIT = Ministry of Communications and Information Technology
¹³ NTA = Nepal Telecommunications Authority

¹⁴ POC = Proof of Concept
¹⁵ B2S = Built to Suit
¹⁶ PENJANA is the Malaysian Government's Short-Term Economic Recovery Plan
¹⁷ Shop Malaysia Online is a government initiative led by the Ministry of Finance under the Belanjawan 2021 eCommerce Programme
¹⁸ MDEC = Malaysian Digital Economy Corporation

Outcome 4: Supporting Governments And Communities In Our Markets

How We Measure and Communicate Our Value

Empowering Women

AYTP

- Axiata Virtual Girls Coding Challenge in Malaysia – empowering > 50 undergraduate women to pursue career opportunities in ICT
- Partnered with Girls 4 Girls Malaysia to help women develop courage and skills to take on public leadership – reached out to > 120 women



XL

- Sisternet – > 43,700 members
- Sispreneur – > 1,000 female entrepreneurs

Dialog

- Yeheli Thozi – > 120,000 active users
- Ideamart for Women – > 4,500 individual engagements & 15.6% revenue contribution from female-led Ideamart businesses

Robi

- Robi Ichchedana – > 1.2 million monthly active users
- Robi-CARE Girls Empowerment programme – > 100 girls
- > 4,000 active female app developers on bdapps, with women comprising 20% of total app developers

Connected Women Initiative

Celcom

- Ibu Digital – 100 women
- Digitalpreneur @ Lembah Subang – 31 women
- Google Bootcamp – > 2,300 female students
- CYDIP¹⁹ Students Competition – 131 female students

edotco EVE Highlights



~ **1,500** families, students and orphanages received food and essential items in conjunction with religious & cultural celebrations in Malaysia



Provided necessities to **> 100** families & **> 4,250** people from underprivileged communities in Malaysia, Pakistan, Myanmar & Bangladesh



~ **1,400** students & ~ **1,600** families in Myanmar, Malaysia & Bangladesh received ICT support

CSR Programmes

Celcom

- Committed to empower underserved communities by promoting digital inclusion and accessibility via devices assistance for lower income families, online tuition and digital entrepreneurship training

Dialog

- Expanded Nenasa TV to 6 channels to bridge the gap for equitable education
- Extended free connectivity and facilities to all Child Development Centres in Sri Lanka

Smart

- Partnered with UNESCO to provide Basic Education Equivalency Programme for youths who had left school to work to continue with their education - 2,102 students

Ncell

- Kicked-start Telemedicine and Health Informatics Programme in collaboration with Dhulikhel Hospital to serve remote and underserved communities with quality health care services
- Collaborated with Zonta Club to provide literacy classes for 200 women in rural areas

2021 Contributions to Humanitarian Connectivity Charter



- > 1 million early warning SMS broadcasted to alert the public and increase awareness of preparedness, in collaboration with the National Disaster Management Agency
- Provided flood relief to > 1,500 beneficiaries, offering food and cleaning assistance with the Malaysian Relief Agency, and post-flood assistance by > 100 Celcom Volunteers



- Aid for victims of Seroja hurricane in East Nusa Tenggara & earthquake in East Java and East Sulawesi



- Distributed dry rations to > 44,000 individuals affected by floods and lockdowns, and provided safety gear to 34 hospitals across Sri Lanka



- Continued collaboration with the Department of Hydrology and Meteorology for the implementation of flood Early Warning System to improve disaster preparedness and save lives



- Collaborated with Malaysia Relief Agency to provide aid to families affected by floods in Hulu Langat and Nanding



- Provided aid to > 2,000 families in Malaysia, Bangladesh, Pakistan and Myanmar affected by floods and COVID-19

Note: ¹⁹ CYDIP = Celcom Young Digital Innovators Programme



IAR, Our Continuing Response To COVID-19 and In Conversation With The PGCEO on pages 8 and 19



SNCR, Social Value Creation on pages 58 to 84

Outcome 5: Enabling Digitally-Connected Societies

Our Value Creation Goals

- Increase population coverage and connect underserved areas
- Aid digital and financial inclusion

Activities and Processes to Create Value

- Regional technology venture funds supporting the development of the digital economy – ADIF¹, SADIF², DADIF³ and R-Venture⁴
- Dialog powered the Venture Engine Start-up Acceleration Programme to help innovative and scalable start-ups and entrepreneurs
- Bangladesh's largest online school Robi-10 Minute School continues to provide students in Bangladesh with high quality online education
- Dialog, XL and Celcom empowering students with online and digital support
- Smart supporting Krousar Thmey Foundation's Words and Pictures app for children with disabilities to learn new words, Sipar's Mobile Library Programme - a library on wheels traveling to remote areas nationwide - and partnered with Sipar to establish a Vocational Orientation Center with a digital library
- Enabling digital financial inclusion and a more secure transacting experience via full spectrum fintech provider Boost⁵ in Malaysia and Indonesia, and eZ Cash in Sri Lanka
- Bridging the digital divide for micro-entrepreneurs, fishermen and farmers by providing digital service solutions and support
- Yoodo (a brand under Celcom), Smart, Robi and Boost contributing to the development of the fast-growing eSports ecosystem

Connectivity & Interdependencies in Our Business Model

Capitals



Material Matters

- Network Quality and Coverage
- Digital Inclusion
- Digitisation and Modernisation
- Customer Service
- Supply Chain Management
- Community Development
- Emergency and Disaster Response
- Data Privacy and Cyber Security

4P Goals



Planet & Society

Stakeholders

- Customers
- Employees
- Suppliers
- Regulators and Government
- Community
- Media

How We Measure and Communicate Our Value

Developing the Regional Digital Ecosystem

ADIF Funding for Digital Start-Ups⁵ (Malaysia)

- Invested RM63.2 million between 2014 - 2021
- Continuing to provide support to investee companies
- 17 investee companies recording an average YoY growth of 34% in 2021

SADIF Funding for Digital Start-Ups (Cambodia) (USD million)



Invested in 10 companies

DADIF Funding for Digital Start-Ups (Sri Lanka) (SLR million)



Invested in 5 companies

r-ventures Funding for Digital Start-Ups (Bangladesh) (BDT million)



Invested in 13 companies

Contributing to Digital & Online Education



- Bantuan Peranti Prihatin & #MyBaikHati - distributed > 300 laptops, tablets and smartphones to students from lower income families
- Provided free Internet access & tuition content for national examination candidates at Community Internet Centres - 58 centres benefitting 1,445 students
- CERDIK - > 4,000 educators from 1,164 schools took part in 5 webinar series to enrich their online teaching delivery
- Celcom Young Digital Innovators Programme enriching > 4,000 educators for online teaching delivery and developing > 250 future innovators



- Robi-10 Minute School
 - > 13.5 million social media based learners
 - > 3.5 million app based learners



- Donated 500 smartphones and free data packages to students to take part in distance learning
- Digital Madrasah Academy 4.0 Incubation Programme - > 1,300 registrants and > 110 students joined the programme
- Donated 100 laptops and Internet access to 12 Islamic boarding schools



- Words & Pictures app - SMS blast to encourage mobile downloads of Cambodian Sign Language app
- Sipar Mobile Library Programme - > 5,300 beneficiaries
- Sipar Vocational Orientation Center benefitted > 1,300 students



- Guru.lk - empowering > 700,000 guru users, enterprises, schools, teachers and students
- Nenasa Smart Schools - benefitting > 250,000 students in 153 schools across Sri Lanka
- Nenadiri initiative - > 100,000 school children from 470 schools obtained Data Scholarships to attend online classes



- Launched student plan providing combo pack of voice, SMS and data for e-learning purposes, which whitelists digital platforms such as Microsoft Teams, Google Meet, Zoom and local education portals - > 359,000 total activations

Notes: The funding for SADIF, DADIF and r-ventures (Robi Ventures) refers to cumulative value from the start of investments since 2018, and for Robi Venture since start of investments since 2019

¹ ADIF = Axiata Digital Innovation Fund

² SAIDF = Smart Axiata Digital Innovation Fund

³ DADIF = Dialog Axiata Digital Innovation Fund

⁴ r-ventures = Robi Ventures

⁵ The RM100 million ADIF was formed in 2014 to help digital start-ups to enhance their innovative products and grow their businesses through funding, know-how and market access. As at end 2020, ADIF has completed the disbursement of funding and is now focusing on providing support to the companies it has invested in

Outcome 5: Enabling Digitally-Connected Societies

How We Measure and Communicate Our Value

Bridging the Digital Divide

Celcom

- Bantuan Komuniti Digital – provided > 60 courses on digital entrepreneurship via VOD⁶
- > 3,000 participants/ students/ entrepreneurs trained through Digitalpreneur, BeBoZz, Google Bootcamp & Ibu Digital

XL

- Laut Nusantara improving livelihoods of fishermen - > 57,600 downloaders and > 48,500 active users
- Launched Desa Digital Nusantara to empower rural communities to embrace digital technologies

Dialog

- Govi Mithuru improving livelihoods of small holder farmers - > 174,600 app users & > 804,400 interactive voice services users
- Sayuru – weather warning service for fishing and coastal communities - > 70,000 users
- Saviya – advisory services for dairy farmers - > 17,000 users
- Venture Engine has funded > 35 start-ups

Robi

- National app store bdapps empowering digital entrepreneurs - > 45,000 apps & > 25,000 developers earning ~ BDT295 million revenue
- Launched android app creation tool Appmaker+ to enable innovation in digital creation - > 3,000 developers developed > 350 apps
- Launched DigiCure as a one stop digital diabetic solution – onboarded > 45 doctors & > 3,000 app downloads

Smart

- Cambodia Entrepreneurship Day - > 6,000 youth participants, with 240 youths to be trained in entrepreneurship

Developing the eSports ecosystem

Yoodo

- Collaborated with top game publishers in the world - Tencent Games and Moonton, for tournaments including PUBG Mobile National Championship and Professional League, Mobile Legends: Bang Bang (MLBB) Professional League and M3 World Championship which garnered > 125 million views
- Partnered with renowned global eSports organisation Alliance, to establish the Yoodo Alliance PUBG Mobile team which qualified and competed in the PUBG Mobile Global Championship
- Partnered with regional esports organisation, RSG to form Yoodo RSG MLBB team who became the champions of the MLBB Professional League and Yoodo RSG Call of Duty Mobile (CODM) team who were crowned as the winner of the CODM MYSG Championship 2021

- Supported the development of the Malaysian eSports grassroots scene by organising the Yoodo PUBG Mobile Campus Championship and supported the Varsity Esports League, organised by the Malaysian Higher Education Ministry

Smart

- Organised e-sports tournaments, and supported local esports teams to participate in international tournaments - Held 6 tournaments with > 3,900 participants
- Partnered with Razer Gold to offer subscribers effortless purchases of virtual credit

Robi

- Launched first ever fantasy gaming platform in Bangladesh telecom industry, Game Plan - > 35,000 downloads - > 13,000 unique users

Boost

- Launched one-stop gaming storefront Game Connect in Malaysia

Driving Financial Inclusion



Customers⁷
in Malaysia
(million)



2020 : 8.8
2019 : 5.1



Merchants⁷
in Malaysia



2020 : > 300,000
2019 : > 195,000



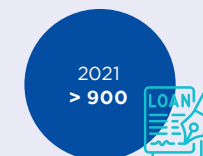
Number of SMEs
Served by
Boost Credit in
Malaysia & Indonesia



2020 : > 9,900
2019 : > 1,400



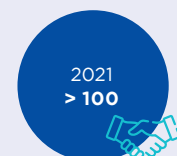
Total Loans Disbursed
by Boost Credit in
Malaysia & Indonesia
(RM million)



2020 : > 200
2019 : > 38



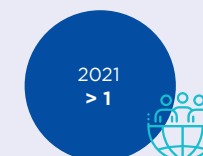
Digital Partners⁷



2020 : > 100
2019 : > 80



Global Consumer
Reach⁷
[billion]



2020 : > 1
2019 : > 0.4



Merchants⁷
in Indonesia



2020 : > 121,000
2019 : > 115,000



eZ Cash
Registered Users
(million)



2020 : 4.0
2019 : 3.7

Notes: ⁶ VOD = Video on Demand

⁷ In 2021, Boost consolidated into four core brands of Boost Life, Boost Biz, Boost Credit and Boost Connect. Additionally, there is Boost Indonesia which caters to the Indonesian market. Customer breakdown for 2021 refers to post-consolidation of Boost which rebranded the consumer eWallet business Boost into Boost Life, carved out Boost's merchant business into Boost Biz, rebranded the credit business Aspirasi into Boost Credit, and Apigate into Boost Connect. 2019 and 2020 numbers for Boost Life refer to the eWallet customers, for Boost Biz as previous Boost's merchants, for Boost Credit as Aspirasi customers, and Boost Connect as Apigate clients. Boost Indonesia's focus is on small and medium merchants for General Trade

Outcome 6: Minimising Environmental Impact

Our Value Creation Goals

- Focused carbon reduction strategy towards achieving net-zero by 2050 in line with mobile industry decarbonisation goals
- Optimise energy consumption through design innovations and renewable energy sources

Activities and Processes to Create Value

- Launched Axiata's Net-Zero Carbon Roadmap outlining our approach towards achieving net-zero emissions by no later than 2050, with a near term target to reduce operational carbon emissions by 45% from a 2020 baseline
- Set Group-wide targets for Scope 1 and Scope 2 emissions across our networks and facilities towards
- Commence the adoption of the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations
- Signed the SBTi¹ Business Ambition Pledge for 1.5°C
- All OpCos represented in the Chief Technology Officer Council and leveraging on Collective Brain to enhance network energy efficiency by using more efficient technologies
- Converting BTS sites to renewable energy sources across the Group
- Corporate centre environmental initiatives – Axiata Green Spaces and Sustainability Champions OpCo environmental awareness, waste management and product end life management programmes to improve material efficiency, recycle waste and reduce mobile e-waste
- edotco's initiatives
 - Developed preliminary Carbon Neutrality Framework in alignment with recognised standards
 - 63% reduction in carbon footprint per site as a result of optimisation projects completed between 2014 and 2020
- 85% implementation of Green Office initiatives across all NTCs² in 2021, compared to 75% in 2020
- Sustainable waste management via edotco Green Framework for site build, operation and maintenance, and office commercial waste
- Green sites in 2021
 - > 2,000 solar technology sites
 - > 17 wind or solar-wind hybrid sites
 - > 120 solar air-conditioner sites
 - > 2 fuel cell sites
 - > 17,000 lithium-ion battery sites
- New energy solutions
 - > High-capacity energy solutions developed for Philippines
 - > New battery capacities for Bangladesh
- 31 bamboo towers RFAI³ as at end 2021, and patent certificate obtained for bamboo tower invention from Department of Patents Bangladesh
- 18 carbon fibre towers RFAI as at end 2021
- Completed first Spun Pre-stressed Concrete (SPC) Pole and first bamboo reinforced concrete plinth POCs⁴ in Bangladesh and Malaysia respectively
- Total of 523 smart lamp poles – 508 in Sri Lanka and 15 in Bangladesh
- Employed Just Nice Tower designs in Bangladesh and Cambodia, with POC ongoing in Pakistan
- Tree planting programme across the footprint

Connectivity & Interdependencies in Our Business Model

Capitals



Material Matters

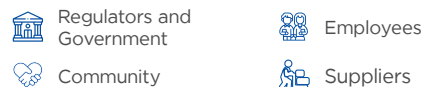
- Business Ethics and Compliance
- Regulatory and Political Risk
- Climate Action
- Resource and Waste Management

4P Goals



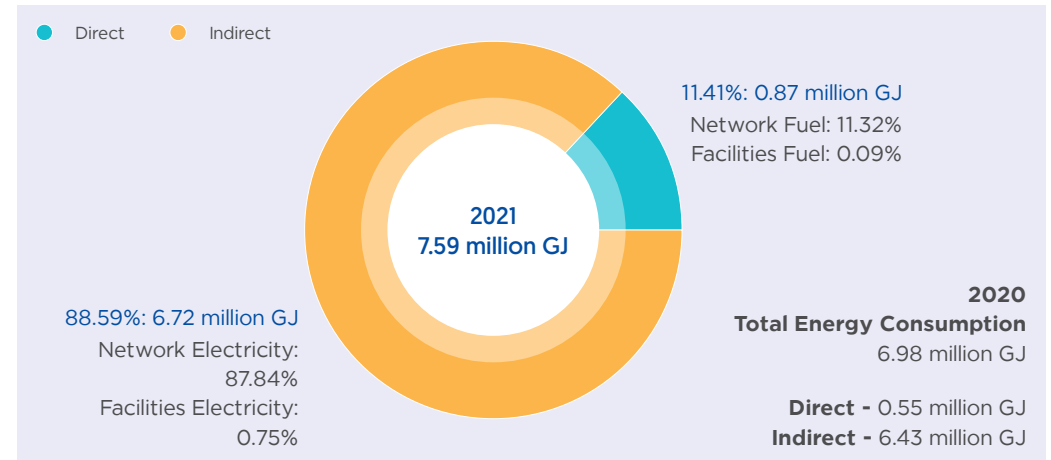
Planet & Society

Stakeholders

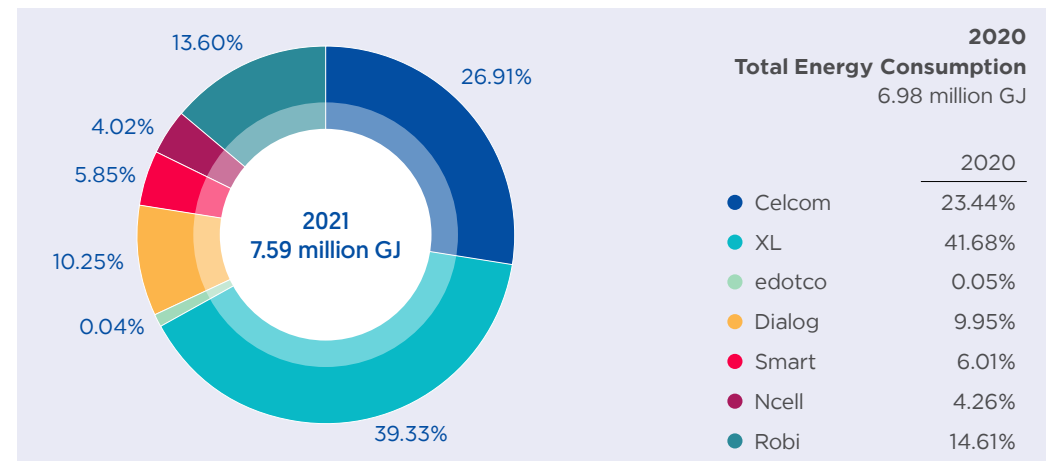


How We Measure and Communicate Our Value

Group-wide Total Energy Consumption⁵



Group-wide Total Energy Consumption by OpCos⁵



Notes: ¹ SBTi = Science Based Target Initiative

² NTC = National Tower Companies

³ RFAI = Ready for Active Installation refers to towers which have been built and in ready status for installation

⁴ POC = Proof of Concept

⁵ In 2021, Axiata conducted an exercise to enhance our collection, analysis and assurance processes for our energy and emissions data which resulted in a revision in 2020 emissions. For more information, refer to SNCR page 50

Outcome 6: Minimising Environmental Impact

How We Measure and Communicate Our Value

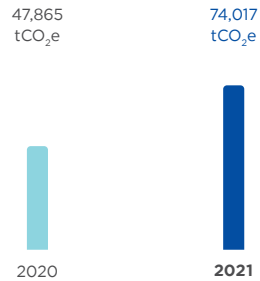
Group-wide GHG emissions⁵

Total 2021: 1,309,834 tCO₂e

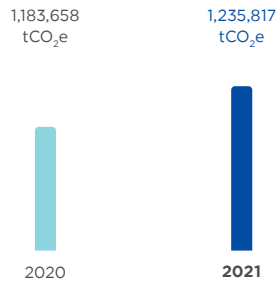
Total 2020: 1,231,523 tCO₂e



Scope 1⁶



Scope 2⁷



OpCo Environmental Programmes



- Decommissioned 63 standby Gensets
- Converted 24H running gensets to commercial power supply at 52 sites
- Installed Advance Metering Infrastructure (AMI)⁸ at 157 sites, which reduced 194 kWh on average
- Obtained higher energy efficiency by introducing solar hybrid solution at 47 sites, which uses multiple energy sources from solar, battery and gensets
- Adoption of Charge-Discharge Cycling (CDC) of batteries at 24 sites to reduce diesel dependency



- Recycled 472 tonnes of company's e-waste in environmentally sustainable manner
- Capacity to recycle 500 kg of office waste per month
- Deployed tower-mounted solar solutions across 35 sites, generating roughly 195.5 kW



- Reduced paper use by 80%
- Energy savings by environmentally friendly sources:
 - Fuel: 177,997.3 litres
 - Electricity: 1,676,659.0 kWh
 - Total CO₂ savings: 1,457.0 tCO₂e
- 76% of total waste sent to landfill
- 66% of waste recycled for animal food; 43% of paper recycled
- Waste collection:
 - 529.7 tonnes of e-waste
 - 21.3 tonnes of waste paper and cardboard
 - 12.1 tonnes of Polythene and Plastic
 - 0.5 tonnes of Regi foam
 - 6 tonnes of food waste



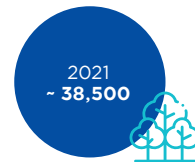
- Planted and maintaining over 6,000 trees along the 10.2 km Ring Road Green Belt stretch
- Waste management programme - recycled 178.1 tonnes of metals and plastics and recycled 218.5 tonnes of batteries according to environmental practices and legislation



- Equipped 825 sites with solar panels
- Employees planted 2,021 mangrove seedlings

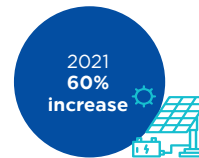


- Number of trees planted



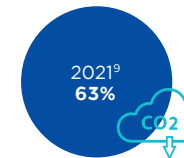
2020 : 23,750
2019 : 13,770

- YoY edotco Renewable Energy Generation



2020 : 42% increase
2019 : 47% increase

- edotco reduction of carbon emission per site against target of 63% as a result of optimisation projects completed between 2014 and 2020



2020 : 58%
2019 : 54%

- Sustainable waste management

908.8 tonnes
of e-waste collected & recycled;

545.1 kg
of recyclable items;

38.9 kg
of mobile waste

Notes: ⁵ In 2021, Axiata conducted an exercise to enhance our collection, analysis and assurance processes for our energy and emissions data which resulted in a revision in 2020 emissions. For more information, refer to SNCR page 50

⁶ Direct GHG emissions from sources that are owned or controlled by the Group

⁷ Indirect GHG emissions resulting from the generation of electricity, heating and cooling or steam purchased by the Group

⁸ Calculations on carbon emission reductions are based on in-house estimations which are currently undergoing an external audit and verification process which will be completed by the end of the second quarter of 2022

⁹ AMI = Advanced Metering Infrastructure solution

Realising Entrepreneurial Dreams

Empowering traditional entrepreneurs with e-commerce tools such as DesaMall, a platform for these artisanal craftsmen to promote and sustain their business into the future

CELCOM DESAMALL@KPLB



GASING TRADISIONAL

Sort

NEWEST HIGHEST PRICE LOWEST PRICE MOST POPULAR



Your Cart



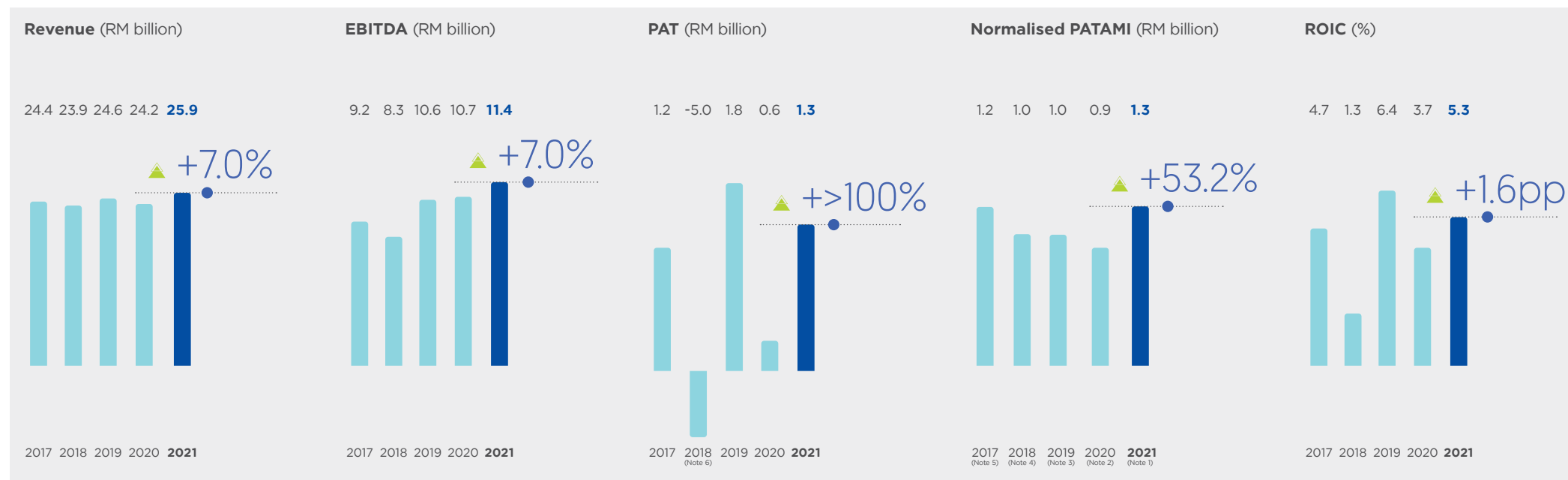
Total RM 140

CHECKOUT

Financial
Resilience

Financial Review

Five-Year Group Financial Highlights



Notes:

Note 1 2021 normalised PATAMI excludes goodwill impairment (RM338.4 million), gain on disposal of towers (RM79.8 million), purchase price allocations amortisation (RM111.8 million) and foreign exchange losses and derivatives (RM116.5 million).

Note 2 2020 normalised PATAMI excludes accelerated depreciation and assets write-off (RM604.3 million), gain on disposal of towers (RM367.5 million), purchase price allocations amortisation (RM113.1 million) and foreign exchange losses and derivatives (RM3.5 million).

Note 3 2019 normalised PATAMI excludes gain on divestment of non-core digital businesses (RM367.1 million), gain on disposal of associate (RM113.4 million), gain on disposal of Idea rights (RM96.1 million), foreign exchange gains and derivatives (RM51.7 million), gain on disposal of towers (RM82.2 million) and purchase price allocations amortisation (RM121.8 million).

Note 4 2018 normalised PATAMI excludes Idea (the Group's associate company in India that was derecognised as an associate in 2018) related losses (RM3,862.5 million), one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment (gross: RM1,816.6 million), foreign exchange losses and derivatives (RM208.9 million)^{Note 6}, gain on disposal of towers (RM80.5 million) and purchase price allocations amortisation (RM236.3 million).

Note 5 2017 normalised PATAMI excludes gain on disposal of towers (RM91.3 million), purchase price allocations amortisation (RM159.2 million), loss on asset held-for-sale (RM161.4 million), severance payment (RM62.8 million), loss on disposal of joint venture (RM40.1 million) and foreign exchange gains and derivatives (RM165.6 million).

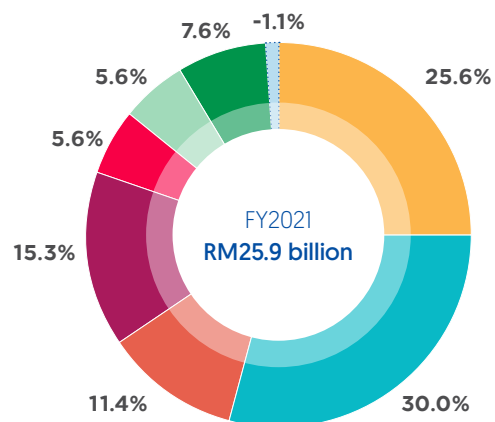
Note 6 2018 is based on restated financials.

Note 7 From FY2019 onwards, based on post MFRS 16 "Leases".

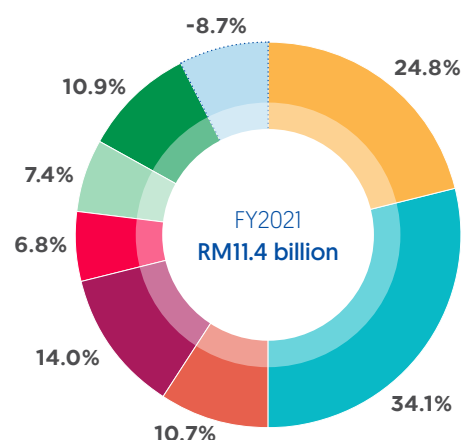
Financial Review

Summary Breakdown of Revenue and EBITDA

REVENUE



EBITDA

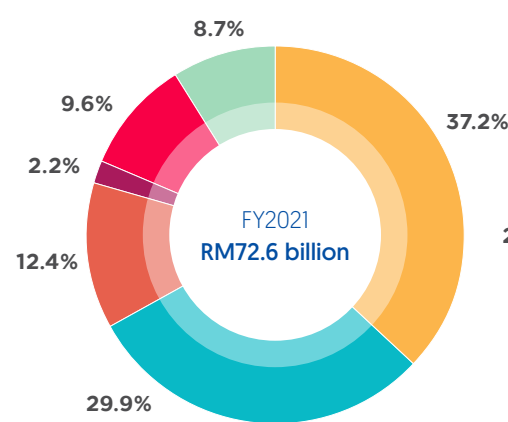


● Celcom	FY2021 25.6%	FY2020 25.7%
● XL Axiata	FY2021 30.0%	FY2020 31.0%
● Dialog	FY2021 11.4%	FY2020 11.2%
● Robi	FY2021 15.3%	FY2020 15.5%
● Smart	FY2021 5.6%	FY2020 5.7%
● Ncell	FY2021 5.6%	FY2020 6.1%
● edotco	FY2021 7.6%	FY2020 7.8%
● Others	FY2021 -1.1%	FY2020 -3.0%

● Celcom	FY2021 24.8%	FY2020 24.3%
● XL Axiata	FY2021 34.1%	FY2020 35.4%
● Dialog	FY2021 10.7%	FY2020 10.8%
● Robi	FY2021 14.0%	FY2020 14.8%
● Smart	FY2021 6.8%	FY2020 7.1%
● Ncell	FY2021 7.4%	FY2020 8.0%
● edotco	FY2021 10.9%	FY2020 10.2%
● Others	FY2021 -8.7%	FY2020 -10.6%

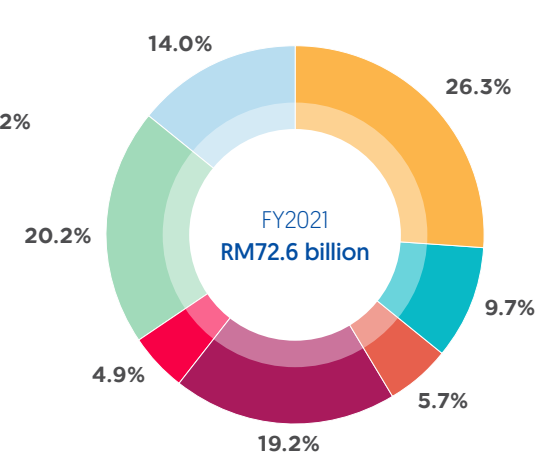
Summary Breakdown of Total Assets and Total Liabilities & Equity

TOTAL ASSETS



● Property, plant and equipment	FY2021 37.2%	FY2020 36.0%
● Intangible assets	FY2021 29.9%	FY2020 30.4%
● Right-of-use assets	FY2021 12.4%	FY2020 12.5%
● Other assets	FY2021 2.2%	FY2020 2.1%
● Deposits, cash and bank balances	FY2021 9.6%	FY2020 10.6%
● Trade and other receivables	FY2021 8.7%	FY2020 8.4%

TOTAL LIABILITIES & EQUITY



● Borrowings	FY2021 26.3%	FY2020 26.1%
● Non-controlling interests	FY2021 9.7%	FY2020 9.2%
● Reserves	FY2021 5.7%	FY2020 5.5%
● Share capital	FY2021 19.2%	FY2020 20.4%
● Other liabilities	FY2021 4.9%	FY2020 5.0%
● Trade and other payables	FY2021 20.2%	FY2020 19.6%
● Lease liabilities	FY2021 14.0%	FY2020 14.2%

Financial Review

All in RM Million unless stated otherwise

	FY2021	FY2020	FY2019 ²	FY2018 ²	FY2017
1. Revenue	25,901	24,203	24,583	23,886	24,402
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	11,404	10,657	10,619	8,334	9,230
3. Earnings from Associates and Joint Ventures	4	19	(3)	(428)	(404)
4. Profit Before Tax (PBT)	2,174	1,171	2,780	(4,073)	1,936
5. Profit After Tax (PAT)	1,277	624	1,815	(4,975)	1,162
6. Profit After Tax and Minority Interests (PATAMI)	819	365	1,458	(4,762)	909
7. Normalised PATAMI ¹	1,326	865	960	1,010	1,205
8. Total Shareholders' Equity	18,005	17,641	16,181	17,477	24,731
9. Total Assets	72,550	67,962	66,534	63,855	69,911
10. Total Borrowings (exclude lease liabilities)	19,050	17,745	16,826	19,130	19,184
11. Total Lease Liabilities	10,171	9,629	8,840	N/A	N/A
12. Customers (million) ³	163	157	153	149	348

Growth Rates YoY

1. Revenue	7.0%	-1.5%	2.9%	-2.1%	13.2%
2. EBITDA	7.0%	0.4%	27.4%	-9.7%	15.2%
3. Total Shareholders' Equity	2.1%	9.0%	-7.4%	-29.3%	4.9%
4. Total Assets	6.8%	2.1%	4.2%	-8.7%	-1.2%
5. Total Borrowings (exclude lease liabilities)	7.4%	5.5%	-12.0%	-0.3%	-13.8%

Share Information

1. Per Share					
Earnings (basic) - sen	8.9	4.0	16.0	(52.6)	10.1
Earnings (diluted) - sen	8.9	4.0	16.0	(52.4)	10.1
Net Assets - RM	2.0	1.9	1.8	1.9	2.7
2. Share Price information - RM					
High	4.19	4.60	5.26	5.70	5.49
Low	3.25	2.66	3.73	3.25	4.29

Financial Ratio

1. Return on Invested Capital ⁴	5.3%	3.7%	6.4%	1.3%	4.7%
2. Gross Debt to EBITDA ⁵	2.6	2.6	2.4	2.3	2.1
3. Debt Equity Ratio ⁶	1.6	1.6	1.6	1.1	0.8

Notes:

- Excludes foreign exchange gains/losses and derivatives, gain/loss on disposal of associates and joint venture, gain on divestment of non-core digital businesses, loss on asset held-for-sale, one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment, purchase price allocations amortisation, gain on disposal of towers, severance payment, goodwill impairment, Idea (the Group's associate company in India that was derecognised as an associate in 2018) related losses and gain on disposal of rights.
- FY2019 and FY2018 are based on restated financials.
- From FY2018 onwards, customers exclude Idea and M1 (the Group's associate company in Singapore that was disposed in 2019) customers.
- EBIT less tax over average invested capital.
- From FY2019 onwards (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2017 and FY2018: Total borrowings over EBITDA.
- From FY2019 onwards (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total shareholders' equity; FY2017 and FY2018: Total borrowings over total shareholders' equity.
- From FY2019 onwards, based on post MFRS 16 "Leases".

Financial Review

Consolidated Statement of Comprehensive Income

	Financial Year Ended	
	31/12/2021 RM'000	31/12/2020 RM'000
Revenue	25,900,661	24,203,171
Operating costs:		
- depreciation, impairment and amortisation	(8,094,868)	(8,484,994)
- foreign exchange gains/(losses)	58,239	(196,083)
- domestic interconnect, international outpayment and other direct costs	(2,199,930)	(1,822,171)
- marketing, advertising and promotion	(2,192,658)	(1,892,272)
- other operating costs	(7,963,233)	(7,305,590)
- staff costs	(2,071,006)	(2,227,532)
- net impairment on receivables and amounts due from subsidiaries	(69,817)	(298,731)
Other gains - net	52,034	2,693
Other income - net	398,655	516,393
Profit before finance costs	3,818,077	2,494,884
Finance income	150,982	177,183
Finance costs	(1,565,069)	(1,693,067)
Foreign exchange (losses)/gains on financing activities	(234,355)	173,395
	(1,799,424)	(1,519,672)
Associates		
- share of results (net of tax)	11,689	17,862
Joint ventures		
- share of results (net of tax)	(7,706)	860
Profit before taxation	2,173,618	1,171,117
Taxation and zakat	(896,737)	(547,072)
Profit for the financial year	1,276,881	624,045
Profit for the financial year attributable to:		
- owners of the Company	818,900	365,155
- non-controlling interests ("NCI")	457,981	258,890
	1,276,881	624,045
Earnings per share (sen)		
- basic	8.9	4.0
- diluted	8.9	4.0

Consolidated Statement of Cash Flows

	Financial Year Ended	
	31/12/2021 RM'000	31/12/2020 RM'000
Receipts from customers and others	25,250,051	24,167,782
Payments to suppliers, employees and others	(14,438,737)	(15,053,690)
Payments of finance costs	(1,398,060)	(1,400,405)
Payments of income taxes and zakat (net of refunds)	(576,240)	(576,986)
Total cash flows from operating activities	8,837,014	7,136,701
Purchase of PPE (net of disposal)	(6,248,195)	(4,518,966)
Acquisition of intangible assets (net of disposal)	(570,347)	(596,723)
Investments in deposits maturing more than three (3) months	80,400	601,802
Investments in subsidiaries (net of cash acquired)	(1,400,993)	-
Investments in associates	(2,421)	(16,797)
Investments in joint ventures	-	(11,169)
Interest received	149,820	192,101
Purchase of other investments	(12,672)	(1,953)
Disposal of other investments	559	150,582
Net proceeds from sale of towers	-	580,790
Payments for ROU assets	(123,866)	(22,495)
Redemption of preference shares by an associate	5,837	-
Others	4,980	4,237
Total cash flows used in investing activities	(8,116,898)	(3,638,591)
Proceeds from borrowings and Sukuk (net of repayments)	668,241	1,393,400
Sale and leaseback of towers	-	561,908
Additional investments in subsidiaries by NCI	-	7,897
Capital injections in subsidiaries by NCI	247,237	294,000
Proceed from IPO of a subsidiary	-	184,092
Net proceed from partial disposal of a subsidiary	420,667	-
Repayments of lease liabilities	(1,522,063)	(1,328,392)
Share buyback of a subsidiary	-	(40,469)
Dividends paid	(1,030,315)	(852,732)
Others	(309)	9,596
Total cash flows (used in)/from financing activities	(1,216,542)	229,300
Net (decrease)/increase in cash and cash equivalents	(496,426)	3,727,410
Exchange gains/losses and restricted cash	86,594	(20,353)
Cash and cash equivalents at the beginning of the financial year	6,722,162	3,015,105
Cash and cash equivalents at the end of the financial year	6,312,330	6,722,162
Bank overdraft	213,632	116,555
Deposits and others	443,390	355,537
Total deposits, cash and bank balances	6,969,352	7,194,254

Financial Review

Consolidated Statement of Financial Position

	As at			As at	
	31/12/2021 RM'000	31/12/2020 RM'000		31/12/2021 RM'000	31/12/2020 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			CURRENT ASSETS		
Share capital	13,905,207	13,883,028	Inventories	222,747	141,663
Reserves	4,100,117	3,758,114	Trade and other receivables	5,060,933	4,362,395
Total equity attributable to owners of the Company	18,005,324	17,641,142	Derivative financial instruments	121	-
Non-controlling interests	7,060,505	6,238,288	Financial assets at fair value through profit or loss	65	138,113
Total equity	25,065,829	23,879,430	Tax recoverable	109,514	97,610
			Deposits, cash and bank balances	6,969,352	7,194,254
NON-CURRENT LIABILITIES				12,362,732	11,934,035
Borrowings	14,819,079	14,773,895	Assets classified as held-for-sale	47,889	30,593
Derivative financial instruments	91,162	121,784	Total current assets	12,410,621	11,964,628
Deferred income	260,360	445,237			
Deferred gain on sale and leaseback assets	307,754	422,817	LESS: CURRENT LIABILITIES		
Trade and other payables	1,116,080	1,303,042	Trade and other payables	13,555,061	12,001,948
Provision for asset retirement	747,795	640,507	Deferred income	3,609	3,820
Deferred tax liabilities	1,377,516	1,086,780	Deferred gain on sale and leaseback assets	123,902	121,365
Lease liabilities	8,412,149	7,894,276	Borrowings	4,231,416	2,971,544
Total non-current liabilities	27,131,895	26,688,338	Lease liabilities	1,758,846	1,734,320
	52,197,724	50,567,768	Derivative financial instruments	20,497	10,881
			Current tax liabilities	653,031	532,947
NON-CURRENT ASSETS				20,346,362	17,376,825
Intangible assets	21,722,687	20,634,399	Liabilities classified as held-for-sale	6,344	17,156
Contract cost assets	232,519	179,801	Total current liabilities	20,352,706	17,393,981
Property, plant and equipment	26,975,288	24,495,647	Net current liabilities	(7,942,085)	(5,429,353)
Right-of-use assets	8,983,213	8,518,895		52,197,724	50,567,768
Associates	257,898	274,635			
Joint ventures	25,569	33,737			
Financial assets at fair value through other comprehensive income	220,744	220,978			
Financial assets at fair value through profit or loss	5,678	4,467			
Derivative financial instruments	76,817	8,343			
Trade and other receivables	1,280,866	1,315,895			
Deferred tax assets	358,530	310,324			
Total non-current assets	60,139,809	55,997,121			

Financial Review

Group Financial Snapshot

Demonstrating resilience and readiness to meet with growing data demand, connectivity and digitalisation needs across its footprint, the Group closed its financial year ended 31 December 2021 (FY2021) on a steady footing, demonstrating robust operational performance against a challenging external environment.

Focused execution of the Axiata 5.0 Vision aimed at strengthening the Group's foundations to position for the digitally accelerated environment yielded strong organic growth in revenue and EBITDA, and increased profits for the year.

Revenue

- Group revenue improved by 7.0% to RM25,900.7 million for FY2021 with growth across all Operating Companies (OpCos) except for Ncell
- Key growth drivers are as follows:
 - Growth in prepaid and MVNO business at Celcom
 - Higher data contribution at XL Axiata
 - Growth across core business lines for Dialog
 - 4G leadership in Robi
 - Higher data subscribers at Smart
 - New tower builds in major markets of Bangladesh and Malaysia for edotco
 - Improvements in its customer engagement business at ADA
 - Boost's acquisition of new users and merchants

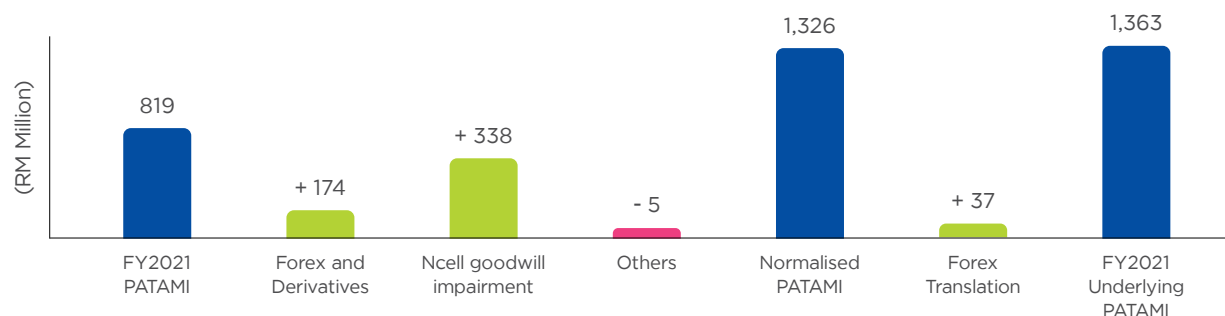
EBITDA

- Group EBITDA increased by 7.0% to RM11,404.0 million with improvement from all OpCos except Ncell
- Growth in EBITDA was mainly driven by higher revenue and diligent cost management

PAT/PATAMI

- Group PAT and PATAMI both increased by more than 100% to RM1,276.9 million and RM818.9 million respectively mainly driven by higher top lines, lower depreciation and amortisation and asset impairment, and lower finance costs, which were partly offset by higher foreign exchange losses from financing activities, higher taxes and one-off impairment of Ncell's goodwill amounting to RM338.4 million
- In FY2021, there were lower one-off gains compared to FY2020 when XL Axiata recognised a one-off gain on sale and leaseback of telecommunication towers amounting to RM444.2 million (PATAMI: RM294.8 million)
- Adjusting for one-off items mainly from impairment of Ncell's goodwill, gains on foreign exchange and derivatives, Group normalised PATAMI for FY2021 stood at RM1,325.6 million

Bridging of 2021 PATAMI to normalised/underlying¹ PATAMI



¹ Numbers are based on constant currency

Cost Optimisation

The Group's Cost Excellence Programme incrementally delivered RM2.0 billion in cost savings and avoidance in FY2021 with over 500 unique Group-wide initiatives completed.

- The savings comprised of capital expenditure (capex) of RM1.3 billion and operating expenses (opex) of RM0.7 billion across various functional areas, with the most significant savings derived from Network and IT through strategic negotiations with vendors and suppliers
- Other cost improvements included optimisation of business operations, sales and marketing and new subscriber acquisition. This involved digitisation, simplification and automation of various business processes for sustainable efficiency results. Increasingly more share of savings were delivered through sustainable efficiency measures as in the past
- The Cost Excellence Programme continued to drive efficiencies throughout the Group, in line with Axiata's target to become the lowest cost producer of data in all operating markets

Financial Review

Group Financial Position

As at 31 December 2021, the Group's financial position remained robust with a healthy cash balance at RM7.0 billion and gross debt to EBITDA of 2.6x.

Total equity stood at RM25.1 billion

- Total equity increased by RM1.2 billion
- Increase in equity balance was mainly contributed by:
 - Profit of RM1.3 billion
 - Currency translation gains of RM303.6 million as a result of weakening of MYR against OpCos' local currencies
 - Dilution of equity interest in subsidiaries of RM246.3 million mainly from restructuring of digital businesses
 - Partial disposal of a subsidiary of RM421.9 million
 - Increase was partially offset by dividends to shareholders and non-controlling interest of RM1.0 billion

Total assets balance stood at RM72.6 billion

- Total assets increased by RM4.6 billion
- Property, plant and equipment (PPE) increased by RM2.5 billion resulting from the following:
 - Additions in FY2021 of RM7.2 billion mainly due to XL Axiata's accelerated capex and backlog capex at edotco
 - Acquisition of subsidiaries amounting to RM247.3 million
 - Currency translation gains of RM99.7 million
 - Increase was partially offset by depreciation during the financial year amounting to RM5.0 billion
- Right-of-use assets (ROU) increased by RM464.3 million mainly due to:
 - Additions in FY2021 amounting to RM2.1 billion mainly from XL Axiata, edotco and Celcom
 - Currency translation gains of RM115.7 million
 - Increase was partially offset by depreciation during the financial year of RM1.7 billion
- Intangible assets increased by RM1.1 billion, mainly driven by:
 - Goodwill and other intangible assets recognised from acquisition of subsidiaries of RM1.7 billion
 - Acquisition of spectrum licences and others during the financial year of RM405.6 million
 - Increase was partially offset by amortisation amounting to RM861.3 million and one-off impairment of Ncell's goodwill of RM338.4 million
- Increase in total assets was partly offset by reductions in deposits, cash and bank balances by RM224.9 million

Total liabilities stood at RM47.5 billion

- Gross liabilities increased by RM3.4 billion
- Trade and other payables increased by RM1.4 billion due to higher capex spending at XL Axiata and renewal of spectrum licences at Robi
- Gross borrowing (excluding lease liabilities) increased by RM1.3 billion mainly due to drawdown of loans to finance the acquisition of a subsidiary in edotco
- Lease liabilities increased by RM542.4 million. Total additions during the year amounted to RM2.0 billion, mainly due to new sites rolled out in XL Axiata and edotco, which was partly offset by lease payment of RM1.5 billion

Capital Investments

- The Group incurred capex investment of RM7.2 billion at 27.9% capex intensity to support its continuous growth. These investments were mainly sourced from internal funds. The spend was in line with the Axiata 5.0 Vision to become The Next Generation Digital Champion by 2024
- Whilst uncertainties arising from the pandemic/endemic and consequent macro economic challenges, government policies and regulatory risks in our footprint markets remain in 2022, Axiata will continue with the momentum already built in the Group-wide execution of Axiata 5.0, that is anchored upon:
 - **Sustainable Growth:** Position for the 'New Norms' through opportunistic investments, to continue OpCos transformation agenda and extract value from the new growth areas of Enterprise, Home and Digital Value-Added Services (VAS)
 - **Operational Excellence:** Realise our goal of becoming a low-cost producer through the 'Collective Brain' engagement model; supported by Group-wide digitalisation and analytics initiatives
 - **Structural Changes:** Continued execution of Portfolio Optimisation and Value Illumination. Some of the transactions in the pipeline may have short to medium term impact but will be long term accretive to the Group

Cash Position and Dividends

- The Group's cash balance stands at RM7.0 billion
- As a result of strong performance supported by a resilient balance sheet and healthy cash balance, the Board of Directors approved a total dividend of 9.5 sen per ordinary share (FY2020: 7.0 sen per ordinary share) which translates to a 66% dividend payout ratio

Capital Structure and Capital Resources

- The Group's debt to equity gearing ratio (total borrowing including lease liabilities over total shareholder's equity) stood at 1.6x as at 31 December 2021

Capital Allocation and Balanced Portfolio

- The Group is on track to be a "High Dividend Company"
- The aspiration to pay more than 20 sen DPS by 2024 to be delivered via disciplined execution of ongoing and planned initiatives
- Towards ensuring a balanced portfolio, the Group is focusing on portfolio optimisation and value illumination by increasing growth rate and valuation multiple

Financial Review

Key Performance Indicators

On 25 February 2021, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2021. The Group's 2021 Headline KPIs announced were as below:

	FY 2021 Achievement	FY 2021 Headline KPIs	FY 2021 Achievement
	@ Actual currency		@ Constant rate¹
Revenue Growth ²	6.8%	Low single digit	8.3%
EBITDA Growth	7.0%	Low single digit	8.5%

Notes:

¹ Constant rate is based on FY20 Average Forex Rate (e.g. 1 USD = RM4.202)

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

Despite another challenging year arising from the COVID-19 pandemic, the Group posted a strong set of results in FY2021 on the back of higher contribution across all OpCos (except for Ncell in Nepal), digital businesses and infrastructure. Underlying profit improved, driven by growth in EBITDA, lower net finance cost and narrowed losses at digital businesses, moderated by the impact of accelerated depreciation of 3G assets.

Year on year, Celcom in Malaysia recorded strong revenue recovery in tandem with positive subscriber momentum, while EBITDA improved from cost optimisation initiatives. XL Axiata in Indonesia registered low single digit revenue growth amidst heightened competitive pressures and EBITDA margin remained healthy. Robi in Bangladesh and Smart in Cambodia benefitted from higher data contribution in tandem with higher data subscribers and usage, leading to high single digit revenue growth. Dialog in Sri Lanka achieved double-digit growth in revenue and EBITDA, with higher contribution across all segments of mobile, fixed and TV. Ncell in Nepal faced challenges in the international long-distance business, prolonged lockdowns and increased competition although diligent cost management led to improvement in EBITDA margin.

Our digital businesses focus on two business verticals namely Digital Financial Services via Boost and Data and Artificial Intelligence via ADA. Positively, Boost posted lower losses driven by lower marketing expense whilst ADA recorded its third consecutive year of profit, benefitting from the acceleration of digital marketing transformation amongst enterprises. Our regional tower company edotco also recorded good performance driven by improved contribution from new tower builds in its major markets of Bangladesh and Malaysia.

Overall, the Group posted revenue ex-device growth of 6.8% and EBITDA growth of 7.0% in FY2021. Against headline KPIs at constant rate¹, the Group exceeded targets of low single digit growth for both metrics with 8.3% growth in revenue ex-device and 8.5% growth in EBITDA.

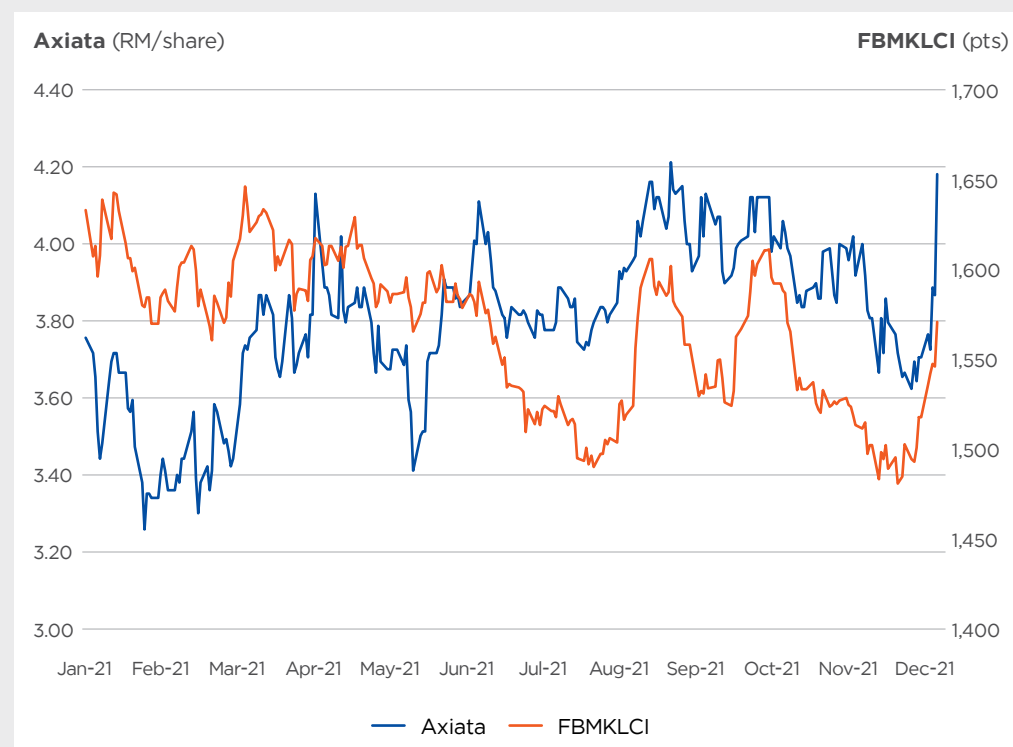
Our Share Price Performance

In FY2021, Axiata's share price rose 11.2% to end the year at RM4.16, outperforming the local benchmark index FTSE Bursa Malaysia KLCI (FBMKLCI) which declined 3.7% to 1,567.53. Axiata's market capitalisation improved to RM38.2 billion on 31 December 2021 from RM34.3 billion on 31 December 2020, closing the year as the ninth largest company on FBMKLCI. In terms of foreign shareholdings, the figure inched up to 10.9% as at end 2021 compared to 10.4% in the preceding year.

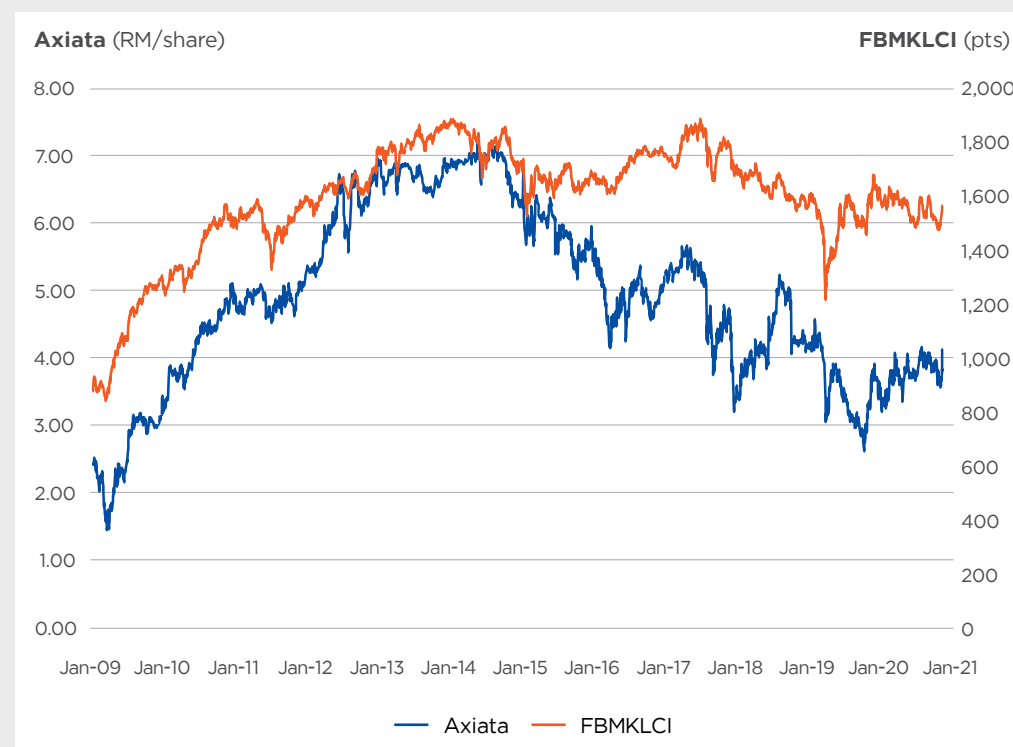
Share price performance for the year was largely driven by positive sentiment arising from the announcement of the proposed merger between Celcom Axiata and Digi in April 2021, supported by strong earnings delivery throughout the year. Other major announcements include the formalisation of a joint bid for digital bank licence in Malaysia by Axiata and RHB in June 2021, and the proposed acquisition of Link Net by Axiata and XL Axiata in July 2021.

From 2009 to 2021, Axiata's share price had increased by 69%.

Share Price Performance (2021)



Share Price Performance (2009 - 2021)



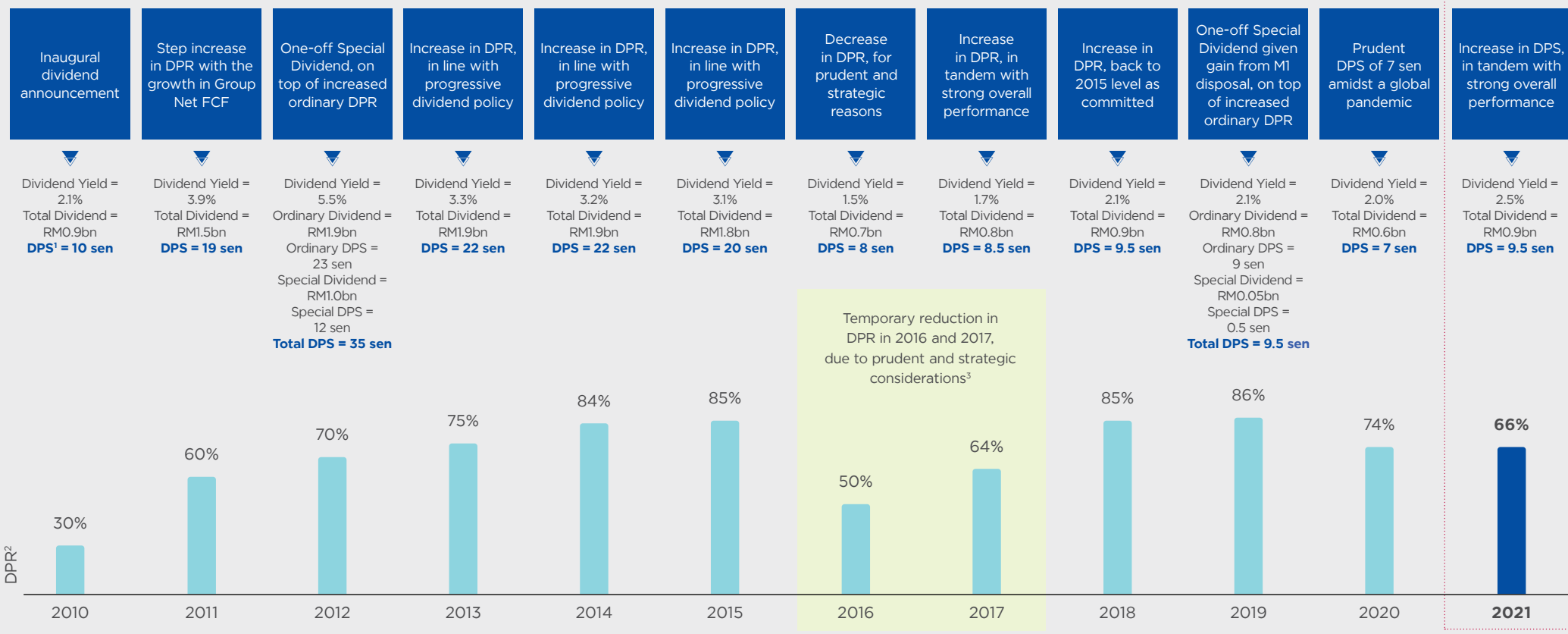
Our Dividend Policy

Supported by robust performance in FY2021 and a healthy balance sheet, Axiata announced a second interim dividend of 5.5 sen per share in February 2022, bringing full year dividend declared for the financial year ended 31 December 2021 to 9.5 sen per share. This includes a first interim dividend of 4.0 sen per share paid in September 2021. The FY2021 dividend per share (DPS) of 9.5 sen is higher than FY2020 DPS of 7.0 sen, and translates to a dividend payout ratio (DPR) of 66%.

The Board remains committed to our dividend policy whereby the Company intends to pay dividends of at least 30% of its consolidated normalised PATAMI and endeavours to progressively increase the payout ratio over a period of time, subject to a number of factors including business prospects, capital requirements and surplus, growth/expansion strategy, considerations for non-recurring items and other factors considered relevant by the Board.

Axiata continues to focus on executing the 10 Key Focus Areas of the Axiata 5.0 Vision to deliver high and sustainable dividends for our shareholders.

PRUDENT AND DISCIPLINED DIVIDEND PAYOUT



¹ DPS - Dividend per share

² DPR - Dividend payout ratio excluding special dividend

³ The Group announced lower DPR in 2016 and 2017 based on two reasons. First, for prudent reasons, to mitigate against impacts of volatile forex and regulatory risk. Second, for strategic reasons, to enable 4G/data leadership investments as well as for possible mergers and acquisitions (M&A) exercises in the areas of market consolidation. Axiata reverted to DPR of 85% in 2018.