





  
**axiata**  
advancing asia

**ADVANCING EVERY ASIAN**

We are progressing towards becoming The Next Generation Digital Champion, bridging the digital divide through innovative technology and solutions to drive digital inclusion across our footprint spanning ASEAN and South Asia.

**DIGITAL TELCOS**



Key Associate Company



**DIGITAL BUSINESSES**

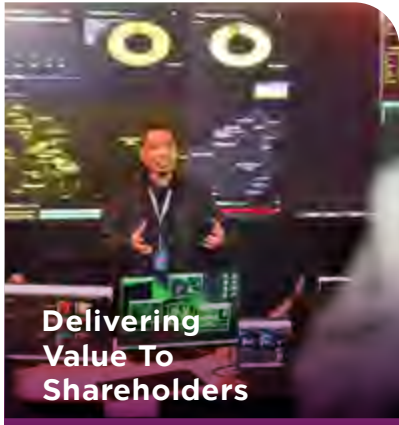


**INFRASTRUCTURE**





Scan to view our  
Year In Review video



**Delivering Value To Shareholders**

Revenue  
**RM27.5 billion**  
(2021: RM25.9 billion)

EBITDA  
**RM12.4 billion**  
(2021: RM11.4 billion)

PATAMI  
**RM9.8 billion**  
(2021: RM0.8 billion)



**A Trusted Digital Partner Connecting Societies**

Mobile customers  
**174<sup>1</sup> million**  
(2021: 163.1 million)

Enterprise services for  
**~ 193,000 businesses**

Boost's all-in-one fintech app consumers  
**10.4 million**



**Supporting Governments And Communities<sup>2</sup>**

Total GDP Contribution  
**USD9.5 billion**

Total Taxes and Fees Paid  
**USD1.5 billion**

Supported  
**> 0.7 million jobs**  
across Asia



**Building Modern, Agile And Digital Talents**

Diverse Talent Factory of  
**14,341 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**

Rolled out the  
**Axiata Net-Zero Carbon Roadmap**  
with three-strategic objectives

Commenced the adoption of  
**TCFD recommendations**  
via a three-year Roadmap

EDOTCO planted  
**> 42,000 trees**  
region-wide

Notes: <sup>1</sup> Includes Key Associate Company - CelcomDigi Berhad

<sup>2</sup> Measurement of economic impact and value creation in the markets and communities served by Digital Telcos and Infrastructure

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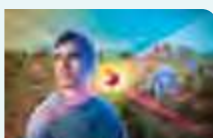
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# STRIDING TOWARDS LASTING RESILIENCE

Harnessing the power of technology to develop solutions that drive efficient power usage towards energy conservation, such as this fuel-monitoring system by Dialog

## IOT SMART GENERATOR MONITORING, DIALOG



**OVERVIEW**

## BASIS OF THIS REPORT

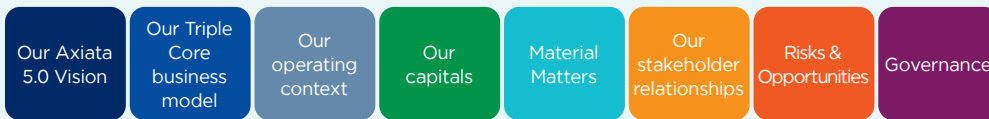
### REPORTING PHILOSOPHY

This Integrated Annual Report (IAR) forms part of the 2022 Reporting Suite for Axiata Group Berhad (Axiata) and is developed to meet our stakeholders’ value creation expectations. The IAR reflects the integrated thinking and decision-making undertaken in pursuing our purpose of Advancing Asia in our bid to build inclusive connectivity and digital ecosystems that transform communities and businesses. The IAR presents a holistic analysis and commentary on the strategy, business performance, governance and prospects in a balanced, transparent and integrated manner so that our stakeholders can make informed assessments. While the primary audience of this IAR is investors, we believe that it will benefit all our stakeholders.

### SCOPE AND BOUNDARY

#### Integrated Reporting Boundary

Covers Strategic Activities, Risks & Opportunities and Outcomes that impact or affect our ability to create value across our Triple Core Businesses – Digital Telcos, Digital Businesses and Infrastructure



#### Financial Reporting Boundary

Aligns with our Financial Statement reporting boundary

#### Sustainability Reporting Boundary

Aligns with our Sustainability & National Contribution Report’s boundary

These Reports cover the reporting period for the financial year 1 January to 31 December 2022, unless otherwise stated. Certain information, where material, may cover significant events up to 31 March 2023. The information in this Report also include the Celcom-Digi merger and the newly acquired Link Net for the reporting period as stated below:

- Celcom – from 1 January 2022 to 30 November 2022
- Link Net – from 1 July 2022 to 31 December 2022

### INTEGRATED THINKING AND REPORTING PROCESS

This Integrated Report is the outcome of Axiata’s Group-wide collaboration as we carefully consider the principles of integrated thinking to connect our performance with our purpose. In determining the content of the report, we assess our Axiata 5.0 Vision that outlines our strategy, issues that have a material impact on our ability to deliver value, the operating context, our strategic performance, stakeholder engagement, and risks and opportunities.

### MATERIALITY

We disclose information about material matters that affect value creation and preservation over the short, medium and long term. In 2022, we conducted a materiality assessment to review our material matters against the updated requirements of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, GRI Universal Standards 2021 and the GSM Association (GSMA)’s Sustainability Assessment Framework. Consequently, we have condensed and renamed our material matters for alignment. The Board Sustainability Committee has endorsed the updated material matters. Our strategic response to these material matters is reflected throughout this report and in our Sustainability & National Contribution Report.

### STRENGTHENING OUR SUSTAINABILITY INTEGRATION AND DISCLOSURES

Efforts to underpin sustainability across our business operations are vital to creating long-term value. We consider the risks and impacts of Environmental, Social and Governance (ESG) in shaping our strategies and initiatives across our markets. In 2022, we refreshed our approach to sustainability with the Axiata Sustainability Framework to strengthen our ESG integration. The Framework sets our approach to adapt to changes in the operating environment to unlock opportunities and manage risks effectively so that we continue to create sustainable value.

Our ESG integration and disclosures are prepared with reference to and guided by recognised global and local sustainability reporting frameworks, standards and guidelines (refer to Reporting Suite). In addition, our disclosure is guided by relevant performance indicators from the following global ESG ratings and benchmarks such as the Carbon Disclosure Project (CDP) Worldwide, S&P Global Corporate Sustainability Assessment (CSA), FTSE4Good Bursa Malaysia and Morgan Stanley Capital International (MSCI).

### ALIGNMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

We incorporate the UN SDGs’ as part of the Axiata Sustainability Framework to support the sustainable development agenda. We are committed to bridging the digital divide, promoting climate action and circular economy, creating positive social impact, and adopting responsible and fair practices across our value chain.

#### Prioritised UN SDGs



In all that we do, collaborations and partnerships with our stakeholders are essential towards advancing sustainability.



# BASIS OF THIS REPORT

## REPORTING SUITE



### Integrated Annual Report 2022

Printed Version

Online Version

#### Frameworks, Standards and Guidelines

- 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 2022

Printed Version

Online Version

#### Frameworks, Standards and Guidelines

- 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 2022

Online Version

#### Frameworks, Standards and Guidelines

- Bursa Malaysia Main Market Listing Requirements on sustainability reporting
- Bursa Malaysia Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative (GRI) Universal Standards 2021
- United Nations Sustainable Development Goals (UN SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Greenhouse Gas (GHG) Protocol
- United Nations Global Compact's (UNGC) Ten Principles
- GSMA ESG Metrics for Mobile Sector (June 2022)
- Sustainability Accounting Standards Board (SASB) – Telecommunications Services (Industry Standard, Version 2.18-10)

## FORWARD-LOOKING STATEMENTS

Certain statements in this IAR may constitute forward-looking statements concerning our financial position, future priorities, strategies and growth opportunities. They are formed based on reasonable assumptions and are not intended to guarantee future results. Actual results could differ materially from those projected in any forward-looking statements throughout this IAR due to various events, risks, uncertainties and other factors.

## ASSURANCE

Our Audited Financial Statements (AFS) are disclosed in the Governance and Audited Financial Statements 2022 and have been fully audited. Independent limited assurance has been provided on six key ESG indicators within our Sustainability and National Contribution Report (SNCR) 2022.

## BOARD APPROVAL

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
- Vivek Sood
- Dr Hans Wijayasuriya
- Dato Dr Nik Ramlah Nik Mahmood
- Dr David Robert Dean
- Khoo Gaik Bee
- Thayaparan S Sangarapillai
- Tan Sri Dr Halim Shafie
- Maya Hari
- Ong King How
- Nurhisham Hussein
- Shahin Farouque Jammal Ahmad
- Eysa Zulkifli

## IMAGES

The Axiata Prism gracing the covers of our reports and section dividers symbolises our commitment to advancing digitalisation for the betterment of societies and businesses. The Prism represents Axiata's role as an enabler, bridging the digital divide with seamless connectivity and a diverse range of digital solutions through technology, with the aim of promoting digital inclusion for all individuals. To achieve this goal, we provide infrastructure, programmes and ecosystems for the development of innovative solutions that have a transformative impact towards enabling digital inclusion and community empowerment. Through these efforts, we strive to advance Asia, championing a digitally inclusive future where opportunities are equitably accessible, so everyone can thrive.

## IMPROVEMENTS IN AXIATA'S IAR 2022

- Scope and Boundary (on page 4): Demonstrating how our Reporting Suite links our Strategic Activities, Risks & Opportunities and Outcomes to create value
- Alignment to the United Nations Sustainable Development Goals (UN SDGs) (on page 4): Identified nine prioritised SDGs that are aligned to the Axiata Sustainability Framework and how they link to our Sustainability efforts (SNCR on page 25: Advancing UN SDGs)
- Our Operating Companies (on pages 62 to 81): Linking how the Axiata 5.0 Vision drives our OpCos' strategies



Scan the QR code to view our IAR online

## NAVIGATION ICONS

The following icons help to align our integrated narrative so that readers can get a greater sense of the inter-connectivity and inter-relatedness of our business.

### Cross References

Refer to **IAR**, **SNCR** and **GAFS**

Refer to website

### Stakeholders

- Customers
- Suppliers & Business Partners
- Community & Civil Society Organisations
- Media
- Shareholders, Investors & Analysts
- Regulators and Government
- Industry Bodies
- Employees, Management & Board

### Capitals

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

### 10 Key Focus Areas

- Positioning for New Norms
- OpCos Transformation
- New Growth Areas
- Cost Management
- New Engagement Model
- Digitisation and Analytics
- Stakeholder Management
- Organisation 5.0
- Industry Consolidation
- Portfolio Optimisation and Value Illumination

### Material Matters

- Sustainable Business Growth
- Network Quality & Connectivity
- Digital Inclusion
- Digitisation & Innovation
- Customer Experience
- Fair, Diverse & Inclusive Employment
- Talent Development & Attraction
- Employee Health, Safety & Wellbeing
- Emergency & Disaster Response
- Community Development
- Business Ethics & Governance
- Digital Integrity
- Regulatory & Political Risk
- Sustainable Supply Chain
- Climate Change
- Environmental Management

# THIS IS AXIATA

We are a leading digital and telecommunications conglomerate with a footprint across 10 countries in ASEAN and South Asia. We harness digital technology, innovation and connectivity to empower and advance an inclusive and sustainable digital society. Our smart solutions transform the way people and businesses adapt and navigate in today's accelerated digital landscape. We provide an extensive range of solutions across our Triple Core Businesses verticals of Digital Telcos, Digital Businesses and Infrastructure.

Our Purpose  
**Advancing Asia**

Our Vision  
**The Next Generation Digital Champion**

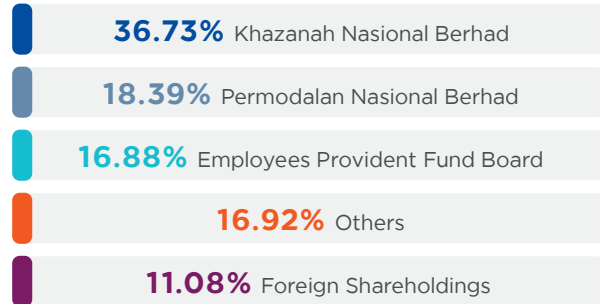
Our Values  
**Uncompromising Integrity, Exceptional Performance (UI.EP)**

Our Sustainability Framework

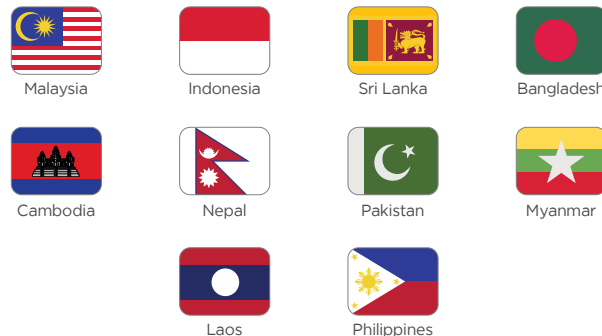


## SHAREHOLDING STRUCTURE

As at 31 March 2023



## OUR FOOTPRINT ACROSS ASEAN AND SOUTH ASIA



## DIGITAL TELCOS



Our Digital Telcos provide mobile, fixed and converged connectivity and solutions for Consumer, Home and Enterprise segments. We leverage digital ecosystems to offer smart solutions for our customers' vastly changed communications requirements. In 2022, we strengthened synergies through the Celcom-Digi merger, to form the largest telco in Malaysia. Meanwhile, the Link Net acquisition in Indonesia puts us at the forefront as a converged fixed broadband and mobile service provider.

[IAR](#), Our Operating Companies - Digital Telcos on pages 62 to 75

## DIGITAL BUSINESSES



Our Digital Businesses leverage intelligence, innovation and data to drive digital financial services and digital marketing and analytics. Boost, a full-spectrum fintech player with a digital bank license, is poised to strengthen financial inclusion by democratising financial services to the unserved and underserved segments of society. Through digital marketing and sales transformation, integrated growth partner, ADA, enables enterprises and brands to drive top line growth across Asia.

[IAR](#), Our Operating Companies - Digital Businesses on pages 76 to 79

## INFRASTRUCTURE



Our Infrastructure business provides end-to-end integrated telecommunications infrastructure solutions and services, including tower leasing, co-locations, build-to-suit, energy and transmission, and operations and maintenance (O&M). EDOTCO is the world's sixth largest Tower Company (TowerCo), which owns and manages over 58,000 towers across South and Southeast Asia.

[IAR](#), Our Operating Companies - Infrastructure on pages 80 to 81



## OUR INVESTOR PROPOSITION

### A financially resilient business

- Operating Free Cash Flow of **RM3.1 billion**
- Strong cash balance of **RM7.5 billion**
- Stable balance sheet
  - Gross Debt/EBITDA of 2.9x
  - Net Debt/EBITDA of 2.3x
  - Dividend per share of 14.0 sen<sup>1</sup> in 2022
- XL Axiata issued IDR3 trillion in Bonds and Sukuk, both rated **'AAA'** by Fitch Ratings, the highest for Indonesia
- XL Axiata raised IDR5 trillion from its rights offerings, aligning with the Group's balance sheet deleveraging plan
- Dialog's revenue ex-device **remained resilient (+26%) year on year (YoY)** driven by international and enterprise business despite challenging macroeconomic environment in Sri Lanka, with Project Resilience helping mitigate escalating operating costs due to inflation and currency depreciation
- EDOTCO, Malaysia's largest tower company, raised RM1.4 billion through its first sukuk issuance, **rated AA+IS** with a **'stable' outlook** by MARC Ratings Berhad. The strong ratings reflect its solid market, strong cash flow visibility and growth potential from rising demand for broadband services and national digital connectivity

➔ IAR, Outcome 1 on page 39

### Driving structural changes to future-proof the Group

- **Completed Celcom-Digi merger** on 30 November 2022, forming the largest locally-listed technology company on Bursa Malaysia
- Axiata Group and XL Axiata **acquired 66.03% equity interest in PT Link Net Tbk** (Link Net) on 22 June 2022, which triggered a Mandatory Tender Offer (MTO) for the remaining shares. The MTO was completed on 6 October 2022, resulting in Axiata and XL Axiata holding a combined 99.52% stake in Link Net
- XL Axiata **acquired a 51% share in PT Hipernet Indodata (Hypernet)**
- EDOTCO Group became the **leading Tower Company in the Philippines** following the acquisition of 2,973 towers from PLDT in April 2022
- **EDOTCO entered the Indonesia market** by acquiring 859 towers from XL Axiata
- Boost-RHB consortium **wins digital bank license** in Malaysia

➔ IAR, In Conversation With Our GCEO on pages 12 to 22

### Acknowledged as an industry leader in ESG

- **Axiata Group Board Sustainability Committee** introduced in April 2022 to enhance and supervise the Group's sustainability matters
- Rolled out the **Axiata Net-Zero Carbon Roadmap** aligned to GSMA industry decarbonisation by 2050
- Commenced the adoption of all four **Taskforce on Climate-related Financial Disclosures (TCFD)** recommendations
- Launched **Axiata Diversity, Equity and Inclusion (DEI) Framework** centred on 4 pillars of Gender, Generations, Ethnicities and Abilities
- Placed within the top quartile for the 3rd year running at **No. 22** on the list for **World Benchmarking Alliance's Digital Inclusion Benchmark 2022**
- Constituent of the FTSE4Good Bursa Malaysia Index with **4-star ESG Grading Band**
- **Maintained AA<sup>2</sup>** ('Leader') by MSCI ESG Ratings
- CDP scoring **improved to C** (Awareness)<sup>3</sup>
- **Joined the United Nations Global Compact initiative** - the largest corporate sustainability initiative in the world

➔ IAR, Chairman's Message on page 10

### Harnessing the strength of our diverse talents across our regional footprint

- **AI Factory Executive Training** programme for all CXOs<sup>4</sup> towards an AI-enabled organisation
- **Senior talent digital leadership acceleration** via IMD Digital & Analytics modular learning
- **Continuously enhancing digital skills** in line with IR 4.0, advancements as a Modern, Agile and Digital workforce
- EDOTCO **won 'Partnership for the Goals' recognition** and **'Sustainability Awareness and Employee Engagement'** recognition
- Axiata Group voted **1st Runner Up** in the Telecommunications category at the Graduan Brand Awards 2022

➔ IAR, In Conversation With Our GCEO on page 20

➔ SNCR, Talent Development & Attraction on pages 84 to 87

### Continuously delivering value and growth

Revenue  
**RM27.5** billion ▲ 6.2%

EBITDA  
**RM12.4** billion ▲ 9.0%

PATAMI  
**RM9.8** billion ▲ > 100%

- Achieved Cost Excellence - total savings of **RM1.7 billion**
  - Opex savings: RM0.6 billion
  - Capex savings: RM1.1 billion

➔ IAR, Chairman's Message, In Conversation With Our GCEO and Financial Resilience on pages 9, 12 to 13 and 51 to 60

Notes: <sup>1</sup> Includes special dividend of 4.0 sen per share  
<sup>2</sup> As of October 2022

<sup>3</sup> CDP score for Climate Change 2022

<sup>4</sup> CXO refers to any Chief Officer role that reports to the CEO

## SHAPING DIGITAL LEADERS OF TOMORROW

Providing learning opportunities for budding future leaders at every stage of growth in all our markets, such as this programme in Cambodia

**SMARTEDU,  
SMART**



# LEADERSHIP INSIGHTS

## CHAIRMAN'S MESSAGE

# BUILDING AN INCLUSIVE FUTURE

## Dear Stakeholders,

On behalf of the Board of Directors (Board), I am pleased to share the notable achievements Axiata Group Berhad ('Axiata' or 'the Group') charted in 2022. Despite macroeconomic risks, Axiata demonstrated agility and adaptability to steer its progress towards its aspiration to become The Next Generation Digital Champion. The Group took meaningful steps in executing its Axiata 5.0 Vision to drive sustainable business growth and build digital inclusivity, connectivity and ecosystems that empower communities and businesses. These achievements are indicative of the Group's focus on strengthening and unlocking value.

## Solidifying Foundation for Steady Growth

The Group performed well for the year under review, adopting a deliberate approach in implementing its Axiata 5.0 Vision against the prevailing macroeconomic conditions, rapidly changing operating environment and evolving regulatory requirements. The Group demonstrated a prudent yet progressive approach to enhancing its overall resilience, which was made possible by its strong execution capabilities, agility and speed in addressing and overcoming risks. Axiata drove operational and cost efficiencies, capitalised on industry consolidation and made good progress on its strategic objectives to create a sustainable future. For the period under review, Axiata surpassed its headline targets to deliver operational and financial resilience and strengthened its foundation to drive value for its stakeholders.

The risks encountered by the Operating Companies (OpCos), particularly in frontier markets by Dialog in Sri Lanka, led to the adoption of a recovery strategy under Project Resilience. This project also served as a framework for an enterprise-wide reset to ensure that the Group carried on building long-term sustainability in the underlying performance of the OpCos.

[IAR](#), Project Resilience in In Conversation With Our GCEO on page 14

Notable achievements during the operating year included completing the Celcom-Digi merger, creating the largest telco entity in Malaysia; expanding Axiata's footprint in the tower business in the Philippines and Indonesia via EDOTCO; acquiring Link Net, one of the leading providers of high-speed next generation broadband and cable TV in Indonesia; securing a much sought-after digital banking license through Boost, with the aim to provide innovative financial solutions to a broader target segment; and acquiring PT Hipernet Indodata (Hypernet) in Indonesia to expand digital services for corporate customers. These corporate exercises have fortified Axiata's foundation, strengthening its leadership position in its three core businesses of Digital Telcos, Digital Businesses and Infrastructure, and paving the way for a sustainable future.

[IAR](#), Our Operating Companies on pages 62 to 81

Axiata continues to make good progress along its digital transformation journey. In 2022, Axiata was recognised as being one of the first three telcos globally to earn 'Running on Open Digital Architecture (ODA)' status by the TM Forum. The award recognises

Tan Sri Shahril Ridza Ridzuan



Scan to watch a video of the Chairman's Message



Axiata's architectural shift to the status of Digital Telco and endorses its acceleration towards becoming an agile, end-to-end digital service provider.

Although the Group remains dedicated to achieving its goal of becoming The Next Generation Digital Champion, external market risks over the past couple of years have pushed the goalpost from 2024 to 2027. Various macroeconomic and regulatory factors, as well as investments in mergers and acquisitions, have had an influence on Axiata's dividend payout goals.

Given this context, a total dividend of 14.0 sen per share for the financial year ended 31 December 2022 has been declared, which includes a special tax-exempt dividend of 4.0 sen per share following the completion of the Celcom-Digi merger. The Group expects the dividend portfolio to be more diversified and balanced going forward.

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

[IAR](#), How We Create Value on pages 37 to 49



A total dividend of **14.0 sen per share** for the financial year ended **31 December 2022** has been declared

## CHAIRMAN'S MESSAGE

### Fostering Equitable Growth

Axiata remains steadfast in its commitment to Advancing Asia and creating value for its stakeholders, including regional communities. In recent years, the importance of connectivity and digital enablement has been heightened as a means of staying connected and conducting business, underlining the importance of technology in our lives. Axiata has responded to the increased demands from its over 174 million users by supporting communities and businesses through their digital transformation. This aligns with the Group's efforts to promote socioeconomic development and sustainability through its business endeavours.

Through its presence in the 10 countries where it operates, the Group played a role in supporting businesses, employment and economic growth in ASEAN and South Asia. Axiata's impact in the region can be seen, directly and indirectly, in the form of supporting over 700,000 jobs and its contribution of USD9.5 billion in Gross Domestic Product (GDP).

The Group is committed to building digital inclusion and promoting a more equitable and sustainable future to ensure no one is left behind in the digital age. Through the Axiata Foundation, 4,627 young talents from Malaysia were provided access and support to cultivate leadership and digital and technology skills for future employability in the digital economy. This was driven through three programmes under the Education pillar, which are the Axiata Young Talent Programme, Axiata Digital Leaders Programme and Axiata Equity-in-Education Fund programmes.

The Foundation's Community Investment pillar focused on efforts to improve the socioeconomic development of marginalised and indigenous communities, with initiatives implemented in 2022 that benefitted 21,034 individuals. Its Environment pillar looks to advocate green and climate action initiatives through collaboration, advocacy and innovation.


The Group's venture funds, covering four countries, continued to aid technopreneurs in developing digital ecosystems that are gaining relevance in today's 'new normal'. In 2022, the Axiata Digital Innovation Fund in Malaysia, Smart Axiata Digital Innovation Fund in Cambodia, Dialog Axiata Innovation Fund in Sri Lanka and r-ventures in Bangladesh provided funding to 44 start-ups and ventures. This funding not only assists these companies in their growth and development

but also promotes innovation, job creation and digital transformation, contributing to the overall economic development of each nation.

The Group's aim to promote digital inclusion and address social issues will be well served through the Boost-RHB Consortium's digital banking license, secured in 2022. Upon its launch, the platform will cater to underserved communities and boost financial inclusion further.

The Group's efforts to advance an inclusive digital economy and society have earned it an improved ranking in the top quartile of the World Benchmarking Alliance's Digital Inclusion Benchmark. The Digital Inclusion Benchmark evaluates how the world's 200 most influential digital technology companies promote a more inclusive digital economy and society.

 **IAR**, Outcome 5 on pages 46 to 47

 **SNCR**, Advancing Digital Societies and National Contribution Report on pages 29 to 59 and 119 to 140

### Advancing Axiata's Sustainability Journey

Axiata believes that achieving its goals related to Environmental, Social and Governance (ESG) principles is vital for enabling sustainability across its operations, digital inclusion efforts, climate change response and contributing to a nation's development. Overall, Axiata aspires towards advancing a digital future, where people, planet and the business can collectively thrive.

The establishment of the Group Board Sustainability Committee, which was introduced in April 2022, highlights Axiata's commitment to driving leadership in ESG. The committee is responsible for overseeing the Group's overall sustainability efforts towards meeting its ESG objectives, including digital inclusion and climate action.

The Group's Sustainability Framework was refreshed to align stakeholders' concerns on material matters with value creation goals and adapt to business environment changes. The revised framework serves as a guide for integrating ESG, unlocking opportunities and effectively managing risks.

On the Environmental front, efforts on climate action remain the main focus. With the Axiata Net-Zero Carbon Roadmap launch in 2022 in alignment with the Science Based Targets Initiative (SBTi) Business Ambition, the Group embarked on adopting the



recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This year marks Axiata's inaugural TCFD report, which will help equip the Group over the years with the insight to prepare the business to mitigate negative climate impacts and realise opportunities.

Governance efforts continue to be strengthened across the markets, promoting greater transparency, accountability and integrity at all levels. This commitment was upheld through the renewal of the Corruption Free Pledge with the Malaysian Anti-Corruption Commission (MACC), reiterating Axiata's zero-tolerance stance against bribery and corruption. It signifies the Group's commitment to maintaining the highest levels of integrity and corporate governance standards in the region.

Guided by the values of UI.EP and the Axiata Code of Conduct, the Group introduced several initiatives to strengthen governance disclosures. These initiatives include rolling out the VITAL System to ease the declaration of Gifts, Donations and Sponsorships (GDS) and Entertainment and Corporate Hospitality (ECH); and the Corruption Risk Register for conducting continuous Compliance Maturity Assessments.

The priority placed on integrating ESG considerations as a key aspect of its sustainability efforts was reflected in Axiata maintaining its 'AA' MSCI ESG Rating and improving its Carbon Disclosure Project (CDP) scoring to C (Awareness). Axiata continues to be a constituent on the FTSE4Good Bursa Malaysia Index with a 4-star ESG Grading Band.

 **IAR**, Outcome 6 on pages 48 to 49

 **SNCR**, Axiata Sustainability Framework and Advancing Green Economy on pages 11 to 13 and 61 to 76



Through the Axiata Foundation, **4,627** young talents from Malaysia were provided access and support to cultivate leadership and digital and technology skills for future employability in the digital economy



'AA'  
MSCI ESG Rating



Constituent of  
**FTSE4Good**  
**Bursa**  
**Malaysia**  
**Index**

## CHAIRMAN'S MESSAGE


### Enhancing Cyber Security and Data Privacy Confidence

As the world moves rapidly on digital technologies and with developments around personal data laws in countries where Axiata operates, strengthening cyber security and protecting data privacy is vital to preserving the trust that customers and businesses place in Axiata's services and networks.

The Axiata Digital Trust and Resilience (DT&R) Strategy, which is Axiata's Cyber Security Strategy Plan, continues to remain a key priority in 2022. This is to ensure customer trust and cyber resilience is strengthened and maintained. On this note, the Axiata Cyber Fusion Centre was launched and operationalised under the DT&R to deliver world-class cyber security capabilities for its network and assets. It also acts as a platform to catalyse public-private partnerships and collaborations to heighten cyber resilience within the region.

It is also heartening to note that over the last five years, Axiata has improved its National Institute of Standards and Technology (NIST) maturity scores from 1.5 to an average of 3.7. This success is contributed by the establishment of a Group-aligned Cyber Security maturity programme implemented across the Group which was based on the NIST Cyber Security Framework and a maturity model based on the Capability Maturity Model Integration (CMMI) 5-point scale. The maturity model covers Axiata's ability to Protect from cyber security threats, as well as Detect and Respond to cyber security incidents.

The Group's three-year Privacy Programme to enhance data privacy came to a close in 2022 with efforts made to enhance data capabilities and security controls, such as security for privacy and disclosures to third-parties. A Group-aligned maturity rating capability model designed to be used as a self-assessment tool was implemented to review and improve performance. The efforts to strengthen data privacy measures resulted in an improved average Privacy Maturity Level, from 2.67 in 2021 to 3.1 in 2022. The Group intends to integrate Privacy controls related to digital rights into future key performance indicators (KPIs) to further improve its privacy capabilities.

 **IAR**, Outcome 3 on pages 42 to 43

 **GAFS**, Building Digital Trust Through Data Privacy And Cyber Security on pages 44 to 47

 **SNCR**, Digital Integrity on pages 109 to 112


### Right People Driving Axiata's Purpose

The Group continued its focus on providing its people with the necessary developmental opportunities to be fit for the future envisioned for Axiata. Given the disruptive operating landscape of the past few years and the rapidly changing workplace, I am proud of the agility demonstrated by its people and their continued commitment to achieving Axiata's Vision and Purpose.

Axiata's Winning Culture framework aims to ensure its people deliver high performance while upholding high ethical standards, consistent with The Axiata Way. This is anchored by UI.EP as its underlying core values while driving Modern, Agile and Digital (M.A.D.) ways of working, cultivating future-ready skills in digital and analytics, and prioritising the wellbeing of its people.

Axiata remains committed to promoting and integrating diversity, equity and inclusion (DEI). In 2022, the Group made good progress in this direction with the launch of the DEI framework. Axiata is now a member of the TM Forum Global DEI Council as well as a signatory of the United Nations Women's Empowerment Principle. The Group continues efforts to achieve 30% female representation at the Group's Board and Management levels. By continuing to champion women and DEI, Axiata strives to empower its people to contribute their unique perspectives and valuable insights.

 **IAR**, Outcome 2 on pages 40 to 41

 **SNCR**, Fair, Diverse & Inclusive Employment and Talent Development & Attraction on pages 78 to 83 and 84 to 90

### Harnessing Synergies for a Brighter Future

Axiata has embarked and remains steadfast on its strategic journey along the Telco to TechCo continuum. This journey promises to unlock valuable strengths and harness the synergy of each component within the business value chain, bringing the Group closer to its aspirational vision of Advancing Asia. With a wealth of experience in markets across the region, Axiata is well-positioned to understand the changing needs and expectations of its customers. By offering next-generation, digitised solutions and services from infrastructure and enterprise to consumers, the Group can translate its portfolio strengths into valuable returns for its stakeholders. This approach is crucial for securing growth and unlocking future value.

As Axiata embarks on this defining journey from Telco to TechCo, the horizon is filled with untapped possibilities and an unwavering commitment to sustainable progress. The Group remains centred on delivering on its Axiata 5.0 Vision and unlocking future value for stakeholders across the markets. The strategy is robust and Axiata has the agility and resilience to navigate what lies ahead. The Group is committed to playing its part in ensuring a more sustainable and secure future for all.

### Acknowledgements

For the year under review, Axiata has been steered steadily under the joint leadership of Vivek Sood and Dr Hans Wijayasuriya as Joint Acting Group Chief Executive Officers (CEO). Effective 24 March 2023, the Group appointed Vivek Sood as the Group CEO and Managing Director, and Dr Hans Wijayasuriya as Group Executive Director (ED) and CEO of the Telecommunications Business. The Board thanks them for their steadfast contributions and is confident of the continued leadership to advance Axiata's growth strategies.

I would like to thank my Board colleagues for ensuring the Board meets the highest governance and oversight standards, and for their robust deliberations and contributions this past year. The Board joins me in welcoming Shahin Farouque Jammal Ahmad who joined the Board as a Non-Independent Non-Executive Director (Non-INED) with effect from 26 August 2022, and Maya Hari as INED with effect from 11 January 2023. We look forward to their valuable insights and contributions.

My thanks go to the Group's shareholders for their continued belief in Axiata's value creation capabilities and commitment to building enduring success. None of the accomplishments this past year could have taken place without the dedicated effort of all of Axiata's colleagues across the geographies.

**Tan Sri Shahril Ridza Ridzuan**  
Chairman



Axiata is now  
a member of the  
**TM Forum  
Global DEI  
Council**  
as well as  
a signatory  
of the **United  
Nations  
Women's  
Empowerment  
Principle**

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR



Vivek Sood

# CREATING SUSTAINABLE VALUE

The Group continues to focus on creating a digital future for its customers and enhancing shareholder value. Axiata’s Group Chief Executive Officer and Managing Director (GCEO), Vivek Sood, shares the performance for 2022 and Axiata’s future strategies to deliver growth by leveraging digital technologies and creating sustainable value for its shareholders.



Scan to watch a video of the Group Chief Executive Officer and Managing Director's Message

### Axiata 5.0 Vision Continues to Shape The Next Generation Digital Champion Aspirations

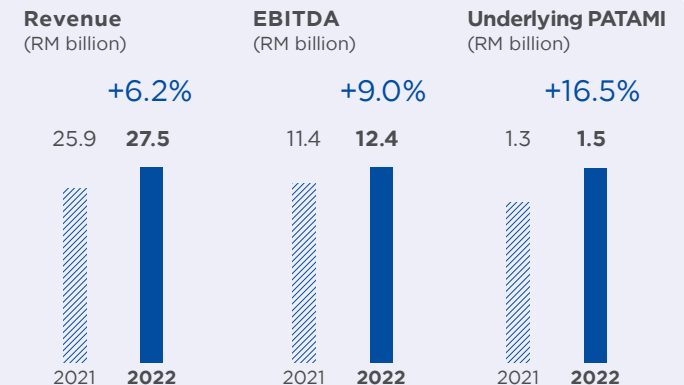
#### Q1 How did Axiata perform in 2022?

The Group delivered a solid financial performance and met customers’ digital needs in a rapidly changing operating environment, underscored by macroeconomic headwinds. We remained guided by the Axiata 5.0 Vision, 10 Key Focus Areas and three core pillars of Sustainable Growth, Operational Excellence and Structural Transformation.

Our focus on operational performance and resilience was supplemented with integrated Environmental, Social and Governance (ESG) efforts. In a changing operating environment

with macro headwinds, specific emphasis was placed on resilience and risk management. We also strengthened our foundation for sustainable value creation through the timely execution of impactful corporate exercises in line with the Axiata 5.0 Vision.

Our execution machinery and proactive measures resulted in Axiata’s underlying financial performance ending ahead of headline Key Performance Indicators (KPIs). Our ability to capitalise on the growing demand for data, digital services and next-generation connectivity resulted in strong outcomes.



## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### How did Axiata perform in 2022? (continued)

Revenue increased by 6.2% across mobile, enterprise, infrastructure and digital businesses. The growth in revenue was contributed by all the Operating Companies (OpCos) except Ncell and Dialog (on translation). This performance was delivered amid challenging macroeconomic conditions, especially in the frontier markets, as the US Dollar strengthened against local currencies with inflation and increased interest rates hitting the economies hard.

As we executed our strategy for growth, we continued to embed disciplined cost management initiatives as part of our Cost and Operational Excellence focus.

#### Achieved total savings of RM1.7 billion

- Opex savings - RM0.6 billion
- Capex savings - RM1.1 billion

Closed FY2022 with Cash Balance of RM7.5 billion

The Group also delivered on the corporate exercises embedded in the Axiata 5.0 Vision.

#### Completion of Celcom-Digi merger

- CelcomDigi serves over 20 million consumers, small and medium-sized enterprises (SMEs), and large enterprises in Malaysia with a much-expanded network infrastructure, distribution reach and enriched portfolio of products and services. It is now the largest Malaysian Telco
- The merged company will invest RM250 million over five years to establish and grow a world-class Innovation Centre in Kuala Lumpur to drive IR 4.0 transformation, Internet of Things (IoT), Artificial Intelligence (AI), Cloud computing and 5G adoption, and strengthen the innovation ecosystem in Malaysia



#### EDOTCO completed acquisition of 2,973 towers from PLDT (Philippines)

- EDOTCO now among the top tower company in the Philippines with an expanded tower portfolio in Metro Manila, South Luzon, Palawan, Visayas and Mindanao
- Acquisition gives EDOTCO access to underserved southern regions poised for 4G/5G roll out and network densification requirements



#### Boost - RHB consortium wins digital bank license in Malaysia

- Multi-pronged opportunities to address ongoing digitalisation shifts across our businesses and deliver financial products to underserved and unserved segments such as the Micro and Small and Medium Enterprises (MSMEs). The digital bank will further leverage existing assets and the 10 million customers of Boost Life and Boost Biz



#### Completed joint acquisition of Link Net with XL Axiata

- Link Net, one of Indonesia's leading fixed network service providers for high-speed broadband and cable TV to 3.1 million homes in 23 cities, serving approximately 757,000 subscribers
- Link Net and XL to leverage synergies from shared network, customer base and strengths in wireless communication services and converged offerings
- Link Net to build further on Indonesia's enterprise market and leverage XL's mobile connections offerings



#### EDOTCO acquired 859 towers from XL Axiata (Indonesia)

- EDOTCO's first foray into the Indonesia market, one of Asia's largest and most established independent TowerCo markets. The acquisition provides a platform for EDOTCO to expand its presence in Indonesia, a market that is poised for growth as operators expand their presence



#### XL Axiata acquired a 51% stake in PT Hipernet Indodata (Hypernet)

- Acquisition of a managed service provider to expand the company's offerings to capture the enterprise market



The Group closed the year with a robust balance sheet and a strong cash position as proceeds from the Celcom-Digi merger were utilised to pare down some of the debt raised to fund the acquisitions of Link Net and the Philippines towers.

[IAR](#), Financial Resilience on pages 51 to 58

### Q2 How did the Group track towards achieving the Axiata 5.0 Vision in 2022?

We are building on the strategy that has been put in place to become The Next Generation Digital Champion, evolving from a pure-play mobile business into a diversified, next-generation digital business as outlined in the Axiata 5.0 Vision.

The Axiata 5.0 Vision targets a Cost per GB below USD0.10. Notable headway has been made in this regard with the Cost per GB being reduced from USD0.25 in 2020 to USD0.16 in 2022. Likewise, the Group EBIT margin is trending upward towards our goal of 20%, from 9.0% in 2020 to 15.9%<sup>1</sup> in 2022.

The dividend per share (DPS) declared in 2022 is in line with our commitment to rewarding shareholders, with a total of 14.0 sen dividend declared for FY2022, consisting of an interim dividend per share of 10.0 sen and a special dividend per share of 4.0 sen following the successful completion of the Celcom-Digi merger.

We continue our focus on sustainable growth, operational excellence and structural transformation, and position ourselves to create sustainable value for shareholders.

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR







### Q3 How did the Group manage the risks posed by the challenging operating environment, especially in frontier markets?

Our OpCos delivered resilient performance against the backdrop of very challenging macro environments. We faced exceptionally strong macroeconomic headwinds in Sri Lanka, Bangladesh, Nepal, Pakistan and Myanmar.

Sri Lanka, for one, faced one of the worst currency crises in history amid rising costs of food and energy, prolonged power outages, queues and shortages of essential commodities, and increased interest rates. The knock-on effect weighed on Dialog’s business. Dialog demonstrated steadfast resilience throughout the period, coming through as the best performer in the market, having taken the crisis as an opportunity to recalibrate its operations using a zero-based budget approach, thereby establishing a platform for sustainable growth.

Dialog’s Project Resilience featured a purpose-designed crisis programme spearheaded through a Group-OpCo collaboration. The Project encompassed a wide spectrum of cost, revenue and balance sheet transformation initiatives which collectively helped navigate the economic crisis. Overall, Dialog managed to optimise network operations despite the currency devaluation and fuel shortages, and saved LKR13.7 billion in opex in FY2022.

The success of Project Resilience in Dialog led to the sharing of learnings and the adoption of a Build Resilience initiative across other operating markets, in preparation for the onset of similar macroeconomic headwinds and implementing proactive measures before any crisis emerges. Project Resilience was underpinned by six leading initiatives – revenue maximisation, optimising and rescaling costs, zero-based budgeting focused on must-haves only, balance sheet restructure to align with macro-economic dynamics, aggressive adoption of analytics and digitisation, and above all, protecting the product, network and service experience for our customers and stakeholders.

<b>Revenue Maximisation</b>		<b>Balance Sheet Restructure</b>	
<b>Optimise and Rescale Costs</b>		<b>Digitisation, Analytics and AI</b>	
<b>Zero-based Budgeting</b>		<b>Product, Network and Service Quality</b>	

This approach was incorporated in modernising the network, covering network simplification, transformation and cost optimisation for the near and long term. This included implementing an opex transformation programme, managing core network cost exposure, expediting 3G network shutdown, expanding green energy sources and in-sourcing select operations.

Given the ongoing macro uncertainties, we will continue our focus on building resilience across our footprint.


### Q4 How has the Group tracked against FY2022 targets?

We adopt a ‘Balanced Scorecard’ methodology comprising two distinct components with different weightings, which are the Corporate Scorecard and the Strategic Key Performance Indicators (KPIs). This approach is tailored to dynamically address business and stakeholder requirements while balancing short-term returns and long-term sustainability.

Axiata’s Group Corporate Scorecard covers both financial and relative performance measures, assigned with similar or varying weightage across the OpCos, with emphasis skewed towards cash flow and EBIT performance. The Group delivered high single-digit out-achievement in revenue and double-digit out-achievement in EBIT under its financial performance indicators for FY2022.

Efforts to improve products and services and expand network coverage have seen Celcom, XL and Dialog exceed their FY2022 revenue market share<sup>2</sup> (RMS) targets, indicating a stronger market position. Our focus on enhancing customer satisfaction, as measured by the Voice of Customer (VOC) KPI, saw most of the OpCos surpassing their composite VOC targets, which include Net Promoter Score (NPS) and Digital Reputation Score. Three Digital Telcos, Dialog, Smart and Robi, held top positions in NPS in their respective markets.

To support Axiata’s organisation-wide priorities, Strategic KPIs were developed in alignment with the long-range plans of the Group and the OpCos. These KPIs featured primarily strategic goals with defined annual targets, set in the context of a three- to five-year horizon. The strategic KPIs encompassed various initiatives, such as cost management, transformation, new growth areas, digitisation and analytics, stakeholder management, risk and compliance, and people and culture. Additionally, sustainability-related KPIs including climate change performance linked to our net-zero commitment, are included in the GCEO as well as OpCo Senior Leadership Teams’ (SLTs) annual remuneration-linked KPIs. The Group made good progress across its 10 Key Focus Areas under the Sustainable Growth, Operational Excellence and Structural Changes pillars for the year under review.

 IAR, Outcomes 1 to 6 and Our Operating Companies on pages 39 to 49 and 62 to 81

Note: <sup>2</sup> Reported based on competitive information publicly available for the five Digital Telcos



# IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR



Scan to watch a video of Axiata Digitisation Journey by Dr Hans Wijayasuriya, Group Executive Director and Chief Executive Officer of Telecommunications Business

## Q5 What achievements have you made on Axiata's digitisation journey?

The Group-wide digital transformation journey continued in 2022 with a focus on five core areas: products and services, external customer interfaces, internal processes, infrastructure and platforms, and organisation and culture.



Core to our digital transformation journey is our Digital Stack - Digital Telco Enabler (DTE) developed by our very own Axiata Digital Labs (ADL). Alongside DTE, we have taken significant steps in our digitisation journey by adopting TM Forum's open Application Programme Interface (API) and Open Digital Architecture (ODA). The use of microservices, Open APIs and ODA also enables us to drive operational and cost efficiencies, enhance speed to market, and drive innovation and collaboration with developers and ecosystem partners. We also continued our focus on driving a digital mindset, and applying AI and Machine Learning (ML) through our Learn, Engage, Advance and Perform (LEAP) programme, as well as building a next-generation talent pipeline with AI skills through our Analytics Certified Experts (ACE) community. Collectively, our Digital Transformation initiatives are accelerating our journey towards becoming an agile, end-to-end digital service provider.

### Our Digital Transformation Journey

#### Initiatives

- ▶ IT Transformation
- ▶ Digitisation Programme - LEAP/DTM
- ▶ AI Maturity Programme






#### Highlights

- ▶ IT transformation across all OpCos to TM Forum ODA using ADL DTE and open API platforms powering internal IT as well as external partner/ developer engagements
- ▶ 3 OpCos - Robi, Dialog and XL, at LEAP 'Leading Digital Stage' (> 4.0)<sup>3</sup> while others have further improved with implementation of AI/ML use cases
- ▶ Analytics and AI capability development has allowed OpCos to focus on implementing high impact use cases (Marketing & Sales, Network and Operations) leading to increase in Revenue and Operational Excellence

#### Outcome

- ▶ **40% reduction** in IT costs and improved Go-To-Market (GTM) speed
- ▶ Estimated **2x increase** in imputed savings across OpCos
- ▶ AI Maturity average **improved to 64.4%** - and successful operationalisation of AI Factory

### Our Achievements

 <b>Over 2,000</b> Microservices running on DTE	 <b>Over 6,000 APIs published</b> and drove reuse across the Group	 <b>Implemented &gt; 50 new digitisation projects</b> using Automation or AI technologies	 <b>Implemented high impact solutions</b> using Analytics and AI Factory	 <b>Certified &gt; 350 data professionals</b> as part of the next-generation talent pipeline development with AI skills
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We will continue with efforts in the following:

- Digitisation of the core: Inter-OpCo LEAP knowledge sharing through our Digitisation Experts Working Group (EWG) and drive digital distribution through playbooks with a focus on further improving cost savings
- Co-innovating with developers and partners via our API marketplaces to offer B2B solutions with particular focus on serving small and medium-sized businesses (SMBs)
- Building advanced TechCo capabilities to our Open Digital Stack (ADL's DTE)
- Scale our AI Factory Platform: Evolve Axiata as an AI-First organisation to implement high impact use cases and drive economic impact

➡ **SNCR**, Digital Inclusion and Digitisation & Innovation on pages 40 to 54 and 55 to 59

Note: <sup>3</sup> LEAP Digital Maturity Index is from 1.0 to 5.0

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### Triple Core Business Verticals Delivered Resilient and Steady Performance

#### Q6 What has been the performance of the OpCos across the Triple Core Business verticals to deliver on Axiata 5.0 Vision in 2022?

The strong underlying performance of the OpCos is a testament to the agility and resilience demonstrated in achieving our strategic objectives, as well as adapting to the changing operating environment and evolving consumer needs.

#### Digital Telcos<sup>4</sup>



##### Merger creates Malaysia's largest telco

- The Celcom-Digi merger has secured a leading position as Malaysia's largest network serving over 20 million customers, that is well-equipped to meet growing data demand and maintain a competitive edge in the industry
- Celcom's sharp execution of its strategic priorities in consumer and enterprise segments, coupled with a focus on customer-driven products backed by a resilient network amid growing data and voice traffic, has led to the best revenue and EBITDA performance in the industry



##### Leading Indonesia's digital convergence and transformation

- XL drove notable network improvements to enhance customer experience and reinforce convergence proposition, leading to improved pricing with blended ARPU of IDR39,000, better quality of service, increased data contribution and gained market share in a highly competitive mobile market environment
- Acquisition of Link Net allows XL to strengthen its convergence offerings and acquisition of Hypernet will help expand its presence in the ICT market



##### Project Resilience re-engineered for growth

- Dialog demonstrated remarkable resilience in the face of currency devaluation, high inflation, increased interest rates and fuel shortages. Through the implementation of Project Resilience, Dialog optimised its network operations, drove digital adoption and revamped its pricing strategy, resulting in protection of a high downside risk in profitability and surpassing its revenue market share targets



##### Maintained 4G leadership position despite macroeconomic challenges

- Robi maintained its leadership position in 4G, with 75.5% of its subscribers being data users and ensured 98.3% population coverage of its 4G network
- Taking some learnings from Project Resilience, Robi optimised its cost structure and sustained strong performance
- After a slow start in the first quarter, Robi finished strong in 2022 with robust revenue and profitability in the fourth quarter



##### Strong performance despite increasing regulatory cost

- Smart faced intense competition in the industry, with top operators competing to become exclusive partners for major national and regional events. Despite this, Smart achieved several milestones, including organising Cambodia's first-ever international eSports competition with Cambodia's largest prize purse. However, despite its strong performance, Smart was impacted by higher one-off regulatory costs



##### Maintained steady brand equity despite a challenging year

- Despite facing challenges from a tough economic environment, including reduced consumer purchasing power and cost pressures from industry-wide revenue declines, Ncell has maintained its steady brand equity and remains a market leader in terms of RMS. Ncell remains poised to recover, supported by its continued efforts to drive digital transformation. Data adoption in the mobile segment with a very large fixed broadband penetration and spectrum deficit relative to competition, has been a challenge for Ncell



##### Leveraging synergies with XL

- Combined force of Link Net and XL will enable Link Net to extract synergies on shared infrastructure and product bundling to reduce cost and accelerate revenue growth. This will position Link Net to capitalise on the growing enterprise market in Indonesia, while also accelerating fibre roll out to tap into future growth opportunities. Link Net experienced headwinds in the second half of 2022 with higher-than-expected churn and lower new customer acquisition. This is being corrected as we enter 2023

[IAAR](#). Our Operating Companies on pages 62 to 81

#### Digital Businesses



##### On track to launch Digital Bank in 2023 and close the gap on financial inclusion

- Boost secured the one-of-five digital banking license in April 2022 and is prioritising the set-up of the Digital Bank's core components built on technology stacks. Boost aims to create greater financial inclusion, while driving innovation and accelerating Malaysia's digital transformation ambitions. Future investments will be targeted towards building a strong digital bank in Malaysia and credit portfolio in Indonesia



##### Growing clients' top line through connected analytics, marketing, commerce and customer experience solutions

- With a line-up of new marquee clients, ADA helped grow B2B clients' top line. Despite dampened industry growth and economic headwinds that compressed clients' media spending, ADA maintained profitable growth, albeit with a slight easing of revenue

#### Infrastructure



##### Capitalising on demand for increased connectivity and data via tower acquisitions

- EDOTCO's recent tower acquisitions in the Philippines and Indonesia, bringing the total to over 58,000 towers, aim to fulfil the growing demand for digital connectivity in the region following the COVID-19 pandemic. Business saw an increase in co-locations and new build-to-suit orders as Mobile Network Operators (MNOs) continue to expand their networks. Entry into the Philippines and Indonesia allows EDOTCO to reduce exposure to frontier markets and grow in emerging markets in Southeast Asia

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### Q7 How has the Enterprise segment grown to elevate its capabilities and offerings?

Digital demands of enterprises are evolving rapidly and the Enterprise segment has emerged as a new growth frontier for our Digital Telcos. Enterprise demands have moved from the baseline of reliable connectivity to complex and purpose-built applications in Cyber Security, Cloud services, AI and more.

We have made strides in capturing this enterprise opportunity through Axiata Enterprise, which brings together Enterprise units within all our Digital Telcos.

The Enterprise segment scaled up its performance in 2022, charting a year on year (YoY) growth of 19.7%. Our concerted efforts in this area have strengthened the Enterprise Business capability and capacity of our OpCos. During the year, we also completed two strategic acquisitions in Indonesia which are set to further bolster our Enterprise growth trajectory – Hypernet, a leading enterprise solutions provider and Link Net, which bring to our Group a strong position in Indonesia’s fixed connectivity sector.

We have developed a range of enterprise capabilities and solution portfolios through a wide spectrum of strategic partnerships.



Provide innovative cloud technologies and joint GTM offering Cloud services to B2B clients and supporting them on their digital transformation journey.



Provide wide range of solutions for Enterprises to support digitisation efforts.



Signed Memorandum of Understanding (MOU) to co-develop and market innovative 5G enterprise solutions for digital transformation across key domains - Smart Ports, Connected Oil and Gas, Smart Cities, Smart Manufacturing and Smart Airports.



Support enterprise communication and collaboration needs, aligned with new ways of working.



Provide advanced connectivity and solutions to Enterprises supported through Versa’s Software-Defined Wide Area Network (SD-WAN) and Secure Access Service Edge (SASE) technology.

### Q8 What are the improvements made to the network to support Axiata’s ambition?

We have aligned the Group’s Network Transformation Programme and future network strategy with industry evolution trends, particularly 5G and IR 4.0.

#### Incorporate energy efficiency measures

We are reducing reliance on grid and diesel generators by assessing renewable energy integration and exploring ‘outdoorisation’ to reduce reliance on costly indoor infrastructures.

#### Additional content caching

To increase Internet efficiency, we will utilise content caching to optimise network performance and improve service quality, while reducing the load on content providers’ servers.

#### Antenna consolidation

To improve service quality and reduce cost, we are consolidating multiple antennas into single, multi-band antennas that support multiple frequency bands and technologies. Since doing this, we have not purchased any single band antenna for many years.

#### Quality of Service (QoS) enhancement

We prioritise network traffic based on importance, bandwidth requirements and critical applications, to ensure service-based QoS implementation, which is regularly monitored to allocate network resources and maintain service quality.

#### Increase fiberisation over microwave link (MW)

By prioritising fibre optic infrastructure over MW, we have seen a positive impact on cost management with fewer tower rentals and energy use, resulting in high-speed data services, improved network performance and capacity.

#### Instituted 3G shutdown

Sunsetting 3G networks has been done for 4G and 5G spectrum efficiency. As of FY2022, 3G shutdown sites in Smart, Celcom and XL have been completed, with Smart’s 2,600 and XL’s 30,700 3G sites already shut down. Shutdown of sites in Robi and Dialog is planned for 2023.

#### Deployed VoLTE migration

We are increasing network efficiency by boosting network capacity and freeing up capacity on the 2G network for other data-oriented services, while improving user experience.

#### Open RAN Technology evaluation

Axiata received technical validation through a Proof of Concept (POC) for Open RAN Technology, addressing integration issues and evaluating Total Cost of Ownership (TCO) and ecosystem readiness. The POC was deployed across Axiata markets, allowing us to better serve rising connectivity needs in rural and underserved areas while finding cost-effective solutions and gaining cost efficiencies through partnerships with global companies.

#### Cloud Native and 5G Core

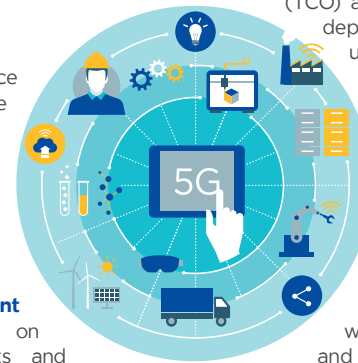
We are developing a fully disaggregated and Cloud-native platform to achieve network agility, scalability, flexibility and cost efficiency, while also completing the 5G framework and use cases for all OpCos.

#### Value-based Planning

RAN Planning was conducted based on ROI prioritisation with expected capex savings and/or revenue increase based on automated platforms where ROI and revenue can be prioritised. Implemented site profitability in most markets with the objective of turning around non profitable sites.

#### Collective Brain (CB) Tool 2.0

The OpCo business plans are submitted through CB Tool 2.0, linked to capex optimisation and solution review processes to ensure alignment with business objectives and industry standards, enabling efficient tech project execution, end-to-end visibility and tracking, and cost savings.



## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### Shaping the Future by Leveraging Strengths to Unlock Value

#### Q9 How are you strategising for growth in your commitment to be The Next Generation Digital Champion?

We have very clear short-term goals and long-term aspirations that require us to make adjustments to create and maximise shareholder value. Priorities include delivering on a strong organic plan, ensuring resilience in our OpCos, pursuing inorganic opportunities that are aligned with our long-term strategy and preserving customer experience and network quality with a very clear objective of managing the balance sheet. This has been the key focus of the OpCos, even during the tumultuous conditions in 2022.

The Axiata 5.0 Vision has been a forward-looking strategy that has been steering the Group from a pure-play mobile business into digital solutions, and towards a journey of digital inclusion and serving evolving connectivity needs in the digital economy.

A key enabler for our transformation from a traditional telecommunication company (Telco) to a technology company (TechCo) is the ability to offer digital services beyond traditional connectivity offerings. It is reinventing ourselves as a tech-first company to compete in a fast-paced, software defined environment and having an agile and open architecture, owning development and operations (DevOps), implementing AI at scale, utilising Cloud-native software and collaborating with partners to co-innovate with the ecosystem. We have embraced the TM Forum ODA at a very large scale. The operationalisation of this architecture has facilitated the development of new ways to monetise our technology assets by opening them to developers and partners. The transition involves creating new growth verticals and platform-based products and services as part of the ecosystem.

A strategy that we are adopting to recalibrate for long-term growth is to view our businesses through a 'de-layering' lens. We firmly believe in the thesis of de-layering and forging clarity in defining our assets and doubling down on maximising their potential for value creation. De-layering leads to specialisation and greater efficiency. De-layering also provides the opportunity for the value of component businesses to be illuminated separately, enabling fit-for-purpose funding mechanisms and investors. Axiata was one of the first to do so by carving out towers back in 2013, followed with setting up independent digital businesses.

The combination of our Telco-TechCo journey and the selective adoption of de-layering principles underpins the Axiata 2023-2025 structural agenda.

[↗ IAR](#), Outcome 3 and Our Operating Companies on pages 42 to 43 and 76 to 81

#### Proof points vis-à-vis de-layering potential and progress of our Telco-TechCo journey



##### Full Spectrum Fintech Ecosystem

- Great Eastern invested USD70 million, translating into a valuation of USD320 million in 2020



##### E2E Solutions Provider

- Fastest growing integrated growth partner in Asia, focusing on connected analytics, marketing, commerce and customer experience solutions
- Validated by investors such as Sumitomo and Softbank who invested USD20 million and USD60 million respectively - translating into a valuation of USD260 million in 2021



##### Infra Provider

- Towers growing to more than 58,000 and a tenancy ratio of 1.64 in 2022

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### Q10 How is Axiata strengthening its value proposition to shareholders?

Our immediate priority is to build on the solid organic performance of 2022 while consolidating the inorganic expansions carried out during the year, with a focus on synergy extraction and value expansion. Our investor proposition is premised on four key focus imperatives: capital re-allocation, managing the balance sheet, providing dividend transparency and championing sustainability.

#### 1 Capital Re-allocation

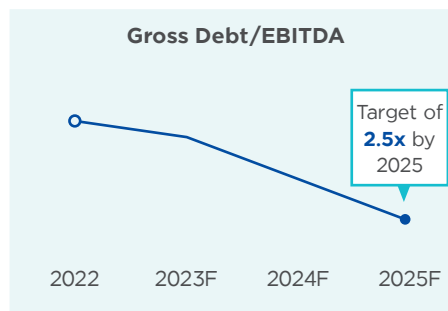
With multiple businesses and presence in 10 countries, we use the Capital Allocation Framework to guide the Group's strategy towards Axiata 5.0 Vision. The key outcomes we aim to deliver are Underlying PATAMI and Earnings Per Share, translating into Total Shareholder Returns.

Five guardrails in our Capital Allocation Framework:

1. **Country allocation** - determines a country's attractiveness for investment based on its political, economical, social, technology, environment and legal standings
2. **Segment allocation** - determines a segment's attractiveness for investment based on industry landscape, market structure, barrier to entry, ease of switching and product substitutes
3. **Affordability** - investment affordability guardrail ring fences 'Source of Capital' for each segment, to ensure affordability and availability of funds for its investments
- 4a. **Organic returns** - return requirements measured using EBIT/Gross Investment
- 4b. **Inorganic returns** - return requirements measured using Internal Rate of Return (IRR)
5. **Portfolio mix** - this guardrail enables capital re-prioritisation glide path through partial divestment and/or full exit

#### 2 Managing Balance Sheet

To ensure our balance sheet remains resilient, we target to lower Gross Debt/EBITDA to 2.5x by 2025, from de-layering, asset monetisation and minority position in fibre, tower and digital businesses.



#### 3 Dividend Transparency

Provide greater visibility on OpCos contribution to dividends and how they will be distributed.

1. Diversify and strengthen Axiata's dividend portfolio by strengthening OpCo Dividend Policy with a minimum 50% payout
2. Plan to return a 10 sen DPS per annum from BAU operations in the next 3 years
3. CelcomDigi dividend policy to maximise dividend subject to net debt threshold and available distributable reserves

#### 4 Championing Sustainability

Strengthen integration of ESG into our strategy to be The Next Generation Digital Champion.

1. Address Axiata's material matters which include sustainable business growth, network quality and connectivity, digital inclusion, and digitisation and innovation

➔ **SNCR**, Our Sustainability Approach on pages 11 to 25

Our strategy is aimed at building sustainable growth to drive enhanced returns that reflect the maturity of our value creation model.

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### Championing ESG through Meaningful Climate Action and Advancing Social Impact

**Q11** What significant advances have the Group made in progressing its ESG and sustainability aspirations?

In 2022, we continued to deliver on our commitment to sustainable business and alignment with ESG principles. Furthermore, we continuously review our sustainability efforts against changes in the operating and regulatory landscape to ensure our journey towards achieving Axiata's business aspirations would simultaneously deliver sustainable outcomes to all our stakeholders.

#### Advancing Social Impact

Axiata Foundation's expanded scope beyond Education to include support for Community Investments and the Environment has enabled us to contribute RM16.7 million and benefitted the lives of more than 22,000 people through various initiatives in the three pillars. While Axiata Foundation focused on Malaysia, all the OpCos in the other markets continued with efforts in education, community services and digital inclusion

#### Addressing Climate Change

Rolled out the Axiata Net-Zero Carbon targets and Roadmap with three-strategic objectives aligned with SBTi and GSMA on emission reduction

- Commenced the adoption of Task Force on Climate-related Financial Disclosures (TCFD) recommendations and developed inaugural report
- Commenced the work to determine our Scope 3 baseline

#### Advocate Diversity, Equity and Inclusion (DEI)

- Introduced the Axiata Diversity, Equity and Inclusion (DEI) Framework focusing on four pillars of Gender, Generations, Ethnicities and Abilities, with Capabilities underlying these pillars
- Became part of TM Forum's Global DEI Council and signatory of the United Nations Women's Empowerment Principles (UN WEP) Charter for DEI

#### Axiata Sustainability Framework

- Refreshed Sustainability Framework to future-proof the organisation, unlock opportunities and manage risks effectively
- Expanded on ESG-related targets
- Identified prioritised United Nations Sustainable Development Goals (UN SDGs)



#### Board Sustainability Committee

Renamed and rescoped the Board Annual Report Committee to Board Sustainability Committee, which took effect from 8 April 2022, to provide enhanced oversight on ESG management across Axiata Group. This was in response to increasing stakeholder interest in ESG integration in Axiata. The change underlines our top-down approach and our commitment to embracing sustainability as a Group-wide agenda

### Building a High-Performing and Future-Fit Organisation

**Q12** How is the organisation equipping and enabling its talents to meet the aspirations of the Group?

Our People Strategy is designed to future-proof our workforce by nurturing capabilities, maximising talent potential and promoting high organisational effectiveness by reinforcing the Axiata Winning Culture Framework. This framework is driven by three approaches:



Axiata Winning Culture Framework

The core values of UI.EP are now ingrained in the organisation's DNA, and the Group Risk and Compliance team has taken a leadership role in championing 'Uncompromising Integrity' aspect of UI.EP values. This includes adding risk and compliance champions to further strengthen the culture of compliance and ethics within the organisation. The recent Employee Engagement Survey reflected a substantial improvement in Ethics score as rated by our employees.

In response to accelerating digitalisation and emerging technologies, we made ongoing efforts to strengthen digital skills and implement programmes to actively enable talents to meet Axiata's digital aspirations through the Learn, Engage, Accelerate and Perform (LEAP) programme. The LEAP approach aims to foster a 'digital-first' mindset, accelerate digital maturity across the OpCos, and promote intra- and inter-OpCo collaboration. Notably, under the annual LEAP NOW signature programme, which provides a platform for OpCos to submit their digitisation projects, 87% of the projects leveraged more than one enabling technology, with Process Automation being the most common, followed by AI.

We have also taken several steps to promote knowledge sharing and best practices among our OpCos, including developing playbooks that capture internal knowledge and organising inter-OpCos sharing sessions.

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

### Unlocking Value for the Future

#### Q13 What is the outlook for 2023 and how is the Group poised to address them? What other risks and opportunities are there on the horizon?

Although we face macroeconomic headwinds amid changing regulatory environment, we remain optimistic about the opportunities ahead of us. Our strategic intent, as outlined in the Axiata 5.0 Vision, continues to guide us as we move from Telco to TechCo and reinforce our operational excellence drive with a focus on resilience. We view 2023 as a year of great opportunity, with efficiency gains and increased returns from core operations supplemented by new growth frontiers across Infrastructure, Digital and Enterprise Businesses.

Axiata remains cautious of the potential macroeconomic headwinds in 2023 posed by a strengthening USD and rising interest rates, regulatory risks and potential changes in the industry landscape due to consolidation and implementation of 5G in some markets. We will manage the associated risks on the OpCos by taking proactive measures such as reducing forex exposure, increasing hedging activities, reducing capex and zero-based costing to ensure resilience. With these measures, Axiata targets mid-single-digit revenue growth and high single-digit EBIT growth in 2023. CelcomDigi share of profit will be impacted due to early integration costs.

#### Short Term

- Headline KPIs FY2023 at constant rate: Targeting mid-single digit revenue growth and high single-digit EBIT growth based on Continuing Operations
- Capex for FY2023 is targeted at RM7.1 billion
- Continued reduction of our forex exposure, increased hedging activities, reduction of capex, and zero-based costing to manage associated risks from macroeconomic headwinds
- Proactive monitoring and mitigation of risks arising from regulatory challenges, macroeconomic headwinds, supply chain disruptions, shortage of chip supplies with hiked prices, currency fluctuation and inflationary pressures
- Each OpCo to improve Dividend transparency
- Commenced Task Force on Climate-related Financial Disclosures (TCFD) and rolled out Axiata's Net-Zero Carbon Roadmap
- Implement Capital Allocation Framework with considerations on country and segment capital allocation, investment affordability through various capital sources, return expectations and a revised portfolio mix
- Network integration will take place following Celcom-Digi merger to streamline operations, assets and network resources
- Boost to launch digital bank services
- XL to explore strategic partnerships and engage in M&A activities to boost Enterprise value offerings and leverage synergies with Link Net and Hypernet to enhance their convergence offerings

To maintain operational resilience and sound business fundamentals, our strategy revolves around stringent capex and opex management, as well as the establishment of a fit-for-purpose and dynamically-optimised capital structure. We are committed to underpinning our operations through these initiatives, which enable us to remain well-positioned to withstand disruptions and capitalise on opportunities. Our commitment to sound business fundamentals allows us to create sustainable value for all our stakeholders, driving long-term success for the Group.

In 2023, a key priority will include the delivery of outcomes from the corporate exercises carried out in 2022 and improving the balance sheet with Gross Debt to EBITDA within 3x.

In realising Axiata's Next Generation Digital Champion aspirations, we will continue to build and strengthen our digital core. Following the Net-Zero emissions and science-based target commitments made last year, Axiata has refreshed its Sustainability Framework and established the necessary governance structures and resources to oversee matters relating to sustainability, including digital inclusion and climate action.

#### Medium Term


- Develop and finalise a three-year Privacy Programme 2023-2025 to enhance Privacy capabilities and compliance levels while enabling responsible data monetisation strategies
- Assess de-layering strategy to define assets to maximise potential for value creation
- Leverage TM Forum ODA and operationalise this architecture to facilitate new ways of monetising technology assets
- Strengthen risk and compliance culture through Group Risk and Compliance's leadership in championing the Uncompromising Integrity aspect of UI.EP values
- Drive digital adoption and business value by continuing to build on Cloud infrastructure and AI Factory by automating high-value use cases
- Monitor and evaluate new risks and opportunities that arise in response to demands of climate change, energy transition and the decarbonisation of the industry
- Strengthen position as a TechCo leveraging on TM Forum's Open Digital Architecture (ODA)
- With 5G roll out ramping up, EDOTCO to diversify into 5G-ready towers, products and offerings, and engage with regulatory stakeholders to advocate for commercially-driven Neutral Host in the 5G ecosystem, especially in markets with a 5G policy
- Leverage Collective Brain to optimise existing assets, pursue cost and operational excellence, drive disciplined cost management and capex efficiency, generate sustainable cash flow and explore new engagement models in network, IT and finance
- 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 programme
- Strengthen DEI through the Women of Axiata and Male Allies (WAMA) initiative and committing to the United Nations Women's Empowerment Principles Charter

## IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

What is the outlook for 2023 and how is the Group poised to address them?  
What other risks and opportunities are there on the horizon? (continued)

### Long Term

- Our short and medium-term strategies are focused on strengthening our ability to accelerate our transformation from Telco to TechCo, as we strive to become The Next Generation Digital Champion
- Continue striving for Operational Excellence and capitalising on Group synergies through the Collective Brain to become the most cost-efficient data producer and deliver on our customer promise to fulfil their demands anytime, anywhere
- Promote sustainable growth as we strive to achieve our aspirations under Axiata's Net-Zero Carbon Roadmap, TCFD and SBTi commitments, and continue to fulfil our responsibilities on digital inclusion and national contributions

 IAR, Key Trends and Risks Linked to Strategy on pages 24 to 25 and 30 to 34

### In Appreciation

The strategic groundwork for Axiata's ongoing growth has been laid, thanks to the over 14,000 Axiata employees across our footprint. We will continue to amplify Axiata's growth prospects as we leverage digitalisation and next-generation technologies to unlock future value.

We thank you, our valued shareholders, for your trust in Axiata. We remain steadfastly committed to directing our strategies and initiatives towards the singular vision of creating value for our shareholders alongside the delivery of positive and empowering outcomes to our customers and broader stakeholders across ASEAN and South Asia.

I would like to express my sincere appreciation for the invaluable guidance and support given by the Board of Directors. My heartfelt appreciation goes to Dr Hans Wijayasuriya for his co-leadership and for working hand-in-hand with me over the past year.

As stewards of this Company, we take our responsibilities seriously and remain dedicated to its long-term success. In that regard, I would like to express my gratitude to the Group for placing confidence in me to lead as the Group Chief Executive Officer and Managing Director. By leveraging our collective strengths and energy, I am confident that we will continue to chart greater milestones ahead.

### Vivek Sood

Group Chief Executive Officer and Managing Director



## EASING LABOUR THROUGH SMART-AUTOMATION

Utilising IoT, machine learning and AI smart solutions to increase production efficiency, such as this solution for poultry farmers in Indonesia

**SMART POULTRY SOLUTIONS, XL AXIATA**

**OUR STRATEGY**



## KEY TRENDS - OUR CHANGING WORLD

	Macroeconomic Factors	Regulatory Environment	Hyper-competition
Operating Environment	<ul style="list-style-type: none"> <li>Diverse regulatory landscape with an increase in tax and levies imposed, with focus on 5G and national digital economic blueprints</li> <li>Digital connectivity demand in 'new normal' intensifying competition as industry players pursue growth to counterbalance COVID-19 setbacks from the previous two years</li> <li>Telecom operators and media companies concentrating on fixed-mobile convergence as a means to distinguish themselves in the market</li> <li>Operating in multiple markets, Axiata faces foreign exchange risk due to fluctuations in currency values</li> <li>Sri Lanka's challenging macroeconomic landscape marked by social unrest, political uncertainty and an economic crisis, depreciation of the Sri Lankan Rupee against the USD</li> <li>Chip prices anticipated to rise due to global chip shortage</li> </ul>	<ul style="list-style-type: none"> <li>Robi acquired additional 4G spectrum with better payment terms and reduced regulatory costs, while Dialog and XL obtained temporary C-band spectrum for 5G trial services</li> <li>Despite declining macro-economic conditions, Dialog gained regulatory approvals to raise certain retail plans and pass-on new taxes to consumers</li> <li>Southeast Asian regulators prioritised 5G services, while South Asian regulators were more cautious due to market conditions</li> <li>Regulators increasingly concerned about Quality of Services and Quality of Experience</li> <li>Policymakers emphasise national digitalisation agenda with regulatory control over technology providers through domestic licensing and compliance with personal data protection, misinformation and network security</li> </ul>	<ul style="list-style-type: none"> <li>Customers more conscious of price points, service type/scope and responsive customer service</li> <li>Rise in data consumption offset by intense price competition in markets</li> <li>Telcos are facing limited incremental revenues, which combined with rising operating costs are pressuring margins</li> <li>Demand for faster mobile and fixed wireless connections as viable alternatives to wired connections create new opportunities for bundled service offerings and intensifying competition between diverse players, including telecom, cable, wireless and satellite Internet providers</li> </ul>
Strategic Implications	<ul style="list-style-type: none"> <li>Regulatory changes in the market lead to increased compliance costs, higher exposure to penalties and an unbalanced competitive environment</li> <li>Rapid growth in data consumption, technological advancement and increased competition drive aggressive pricing moves and pressures on capex</li> <li>Industry restructuring and rationalisation via market convergence and consolidation</li> <li>Fluctuations in currency value may impact earnings</li> <li>Shortage of chip supplies and rising prices could impact costs, with constraints on capacity to invest and scale operations</li> </ul>	<ul style="list-style-type: none"> <li>Conduct proactive regulatory management as a key part of Stakeholder Management under the 10 Key Focus Areas of the Axiata 5.0 Vision</li> <li>Collaborate with industry associations to advocate our positions to regulators and policymakers, both publicly and privately</li> <li>Conduct Group Spectrum Review of all spectrum assignments held by the OpCos</li> <li>Set up Regulatory Experts Working Group (EWG) to develop Group-wide best practice approaches to resolving regulatory issues faced by the OpCos</li> <li>Work with the Government of Malaysia to safeguard Axiata's investments interest, leveraging the Malaysia Technical Cooperation Programme (MTCP) with selected foreign governments</li> </ul>	<ul style="list-style-type: none"> <li>Cost consideration in balancing investment in innovation and infrastructure to enhance products and services while dealing with pricing pressure to offer attractive promotions in bid to retain and expand market share</li> <li>Prioritisation of customer experience in a converged marketplace against increasingly attractive offerings or alternatives from competitors</li> <li>Constant upskilling of employees to remain relevant and keep up with digital innovation trends that contribute to performance and growth of the company</li> </ul>
Way Forward	<ul style="list-style-type: none"> <li>Maintain a solid balance sheet and strong liquidity position</li> <li>Optimise existing assets and pursue cost and operational excellence, leveraging on Collective Brain to drive initiatives to ensure disciplined cost management and capex efficiency, to generate sustainable cash flow</li> <li>Address potential risks across Axiata's operating markets with a robust Business Continuity Plan in place to ensure systematic identification of critical business processes and integrate robust risk management strategies</li> <li>Enhance competitive edge with strategic focus on digitisation, analytics and automation to meet customers' needs and achieve increased revenue yield per customer</li> <li>Track exchange rate fluctuations to hedge USD loan exposures while seeking offshore USD liquidity for markets facing liquidity impact</li> <li>Expand the supply chain and employ inventory management strategies to maintain sufficient stock levels</li> </ul>	<ul style="list-style-type: none"> <li>Except for two OpCos, Axiata OpCos generally improved regulatory compliance performance in 2022</li> <li>Proactively manage stakeholders, including the Malaysian Government and its Embassies and High Commissions, to safeguard investments overseas</li> <li>Conduct joint advocacy campaigns and industry thought-leadership positions with the GSMA, International Telecommunication Union (ITU) and other international bodies on industry-related matters</li> </ul>	<ul style="list-style-type: none"> <li>Retaining focus on our regional triple core businesses which do not confine our risks to one country or one sector</li> <li>Differentiating ourselves through an intelligent Omnichannel Customer Experience (CX) and better customer service</li> <li>Accelerating our Network Transformation Programme</li> <li>Focusing on the digitisation of our human capital across the People Lifecycle by embedding digital HR and Analytics</li> <li>Develop our people's analytics skill sets through the Axiata Certified Experts (ACE) community to deepen technical talent bench</li> <li>Driving efficiencies and innovations through investment in new technologies, initiatives focused on cost improvements and establishing strategic ties with Over-the-Top (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</li> <li>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</li> </ul>
Link to Strategy and Risks	<p><b>Our Strategic Response</b></p> <p>① ④ ⑤ ⑩</p> <p><b>Link to Risks</b></p> <ul style="list-style-type: none"> <li>Financial Risk</li> <li>Market Risk</li> <li>Operational Risk</li> <li>Strategic &amp; Investment Risk</li> </ul>	<p><b>Our Strategic Response</b></p> <p>⑦</p> <p><b>Link to Risks</b></p> <ul style="list-style-type: none"> <li>Market Risk</li> <li>Geo-Political Risk</li> <li>Regulatory Risk</li> <li>Governance &amp; Compliance Risk</li> </ul>	<p><b>Our Strategic Response</b></p> <p>① ② ③ ⑥ ⑧ ⑨ ⑩</p> <p><b>Link to Risks</b></p> <ul style="list-style-type: none"> <li>Financial Risk</li> <li>Market Risk</li> <li>Technology Risk</li> <li>Operational Risk</li> <li>Strategic &amp; Investment Risk</li> </ul>

## KEY TRENDS - OUR CHANGING WORLD

	Climate Change	Digital Acceleration
Operating Environment	<ul style="list-style-type: none"> <li>Agenda for climate change has gained momentum, with every industry, such as the telco sector, pledging to achieve industry decarbonisation by 2050</li> <li>Global energy markets are under stress with price spikes and greater focus on enhancing energy security while aligning with long-term climate goals</li> <li>Transition from traditional energy sources to renewables is rapidly progressing across all sectors; however, supporting regulatory and policy environments that enable access to stable renewable electricity marketplaces differ in markets</li> <li>Ability to address climate-related risks by businesses is becoming more significant as regulators, investors and financial institutions increasingly factor it into their consideration when assessing companies</li> </ul>	<ul style="list-style-type: none"> <li>Continued adoption of hybrid working mode post-pandemic require anytime, anywhere connectivity, increasing demand for high availability and high-quality data access</li> <li>Increased reliance on digitisation and online transactions correspondingly increases vulnerability to cyber security risks, raising the priority for data protection and cyber resilience</li> <li>Increasing prevalence of digital usage placing certain communities at risk of being marginalised due to lack of equitable access to safe, affordable and high-quality digital services</li> <li>Rising democratisation of artificial intelligence and its prevalent use for process improvement, job efficiency and enhanced customer experience</li> </ul>
Strategic Implications	<ul style="list-style-type: none"> <li>Axiata recognises that failure to respond to the calls for action on climate change could result in a loss of credibility in the marketplace and damage to our reputation</li> <li>It puts us at risk of non-compliance with increasingly stricter environmental legislation across all our markets</li> <li>Ability to future-proof the business by understanding vulnerabilities to climate risks (transition and physical) and potential climate opportunities</li> <li>Growing pressure on reducing carbon emissions and B2B/B2C interest in smart solutions provides Axiata with business and non-business opportunities to enable decarbonisation</li> <li>The climate change agenda aligns with Axiata's pursuit of embedding Operational Excellence as part of our DNA, as initiatives addressing climate risks will offer us both operational excellence and cost efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing need to ensure that necessary infrastructure and resources are available to meet rising data and quality demands</li> <li>Need the right investments in new technologies and digital innovations to enhance competitiveness</li> <li>Essential to maintain continuous network service as any interruptions can lead to loss of service confidence and loss of market share</li> <li>Crucial to address and mitigate cyber security risks and data privacy to safeguard operations, financial stability and reputation</li> <li>With rising digital adoption, there are opportunities to expand equitable access to digital resources and services to underserved segments and capture market share</li> <li>Employees need to undergo upskilling and reskilling to be future fit for the digital economy</li> </ul>
Way Forward	<ul style="list-style-type: none"> <li>Axiata signed the Science Based Target Initiative Business Ambition Pledge for 1.5°C</li> <li>Continue to operationalise Axiata Net-Zero Carbon Roadmap that outlines a three-objective approach to reach net-zero no later than 2050 and complete baseline setting for Scope 3</li> <li>OpCos to align with Axiata's Net-Zero Carbon Roadmap and localise plans to decarbonise and be part of climate agenda</li> <li>Commenced adoption of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to assess and disclose our approach to climate-related governance, strategy, risk management, metrics and targets</li> <li>Continuing environmental awareness and implementing product-end-life management programmes across all OpCos</li> <li>Pursuing efficient technologies that can boost network energy efficiency and reduce carbon emissions</li> <li>Chief Technology Officer Council to continue to integrate energy efficiency into our regional network in line with cost reduction and carbon emission targets</li> <li>Cross-collaboration across markets and sectors when engaging regulators and policy-makers to increase public-private dialogue to expedite decarbonisation pathway</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing digitisation of the core by leveraging Open APIs and Open Digital Architecture which enables an ecosystem to drive innovation and collaboration with developers</li> <li>Implement Big Data Blueprint for OpCos to leverage technologies for business intelligence, data mining, advanced analytics and machine learning</li> <li>Advocate cyber resilience through the Axiata Cyber Fusion Centre, a world-class cyber-monitoring centre, to drive towards global standards of data privacy and consumer protection</li> <li>Adopt Zero Trust Framework to limit exposure to advanced threats and protect our critical assets</li> <li>Enable digital and financial inclusion via Boost's digital bank license to the underserved and unserved segments, providing microcredit options to entrepreneurs</li> <li>Expand Enterprise strategic partnerships with hyper-scalers to offer beyond-connectivity enterprise solutions to accelerate digital transformation for businesses</li> <li>Support MSMEs, start-ups and technopreneurs to drive digital economy through Axiata Digital Innovation Fund to scale up and achieve national-level innovation goals faster and contribute more to GDP</li> <li>Foster digital inclusion in our communities through digital literacy and enablement programmes via Axiata Foundation's award-winning Axiata Digital Leaders Programme to equip and support young women, girls and marginalised communities to learn digital skills and build a future fit workforce of women in STEM</li> <li>Investing in upskilling talents in AI and analytics, through initiatives such as the Data Citizen programme available to all OpCos to develop fundamental knowledge on leveraging Data and Analytics</li> </ul>
Link to Strategy and Risks	<p><b>Our Strategic Response</b></p> <p>5 7</p> <p><b>Link to Risks</b></p> <ul style="list-style-type: none"> <li>Strategic &amp; Investment Risk</li> <li>Regulatory Risk</li> <li>Governance &amp; Compliance Risk</li> </ul>	<p><b>Our Strategic Response</b></p> <p>1 3 6 8</p> <p><b>Link to Risks</b></p> <ul style="list-style-type: none"> <li>People Risk</li> <li>Market Risk</li> <li>Technology Risk</li> <li>Cyber &amp; Data Privacy Risk</li> <li>Strategic &amp; Investment Risk</li> </ul>

## CONSIDERING WHAT MATTERS

### MATERIALITY ASSESSMENT

Materiality assessments are integral to our sustainability journey, as they enable us to evaluate the Environmental, Social And Governance (ESG) issues that affect our business and our stakeholders. We conduct a materiality assessment once every two years to ensure that the ESG issues and material matters we look into remain relevant and aligned with current sustainability trends, industry developments and regulatory shifts. It also allows us to identify opportunities and mitigate risks posed by each material matter. The recent update was aligned with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).

In 2022, we re-evaluated our ESG material issues with the assistance of a third-party consultant. Our material matters represent key sustainability issues that will affect our business strategy and stakeholder value creation in the short and long term. We incorporated the perspectives of external and internal stakeholders as well as OpCos to develop a materiality matrix, mapped against Axiata's strategic priorities and its business environment. To ensure integration between Axiata's risk and materiality assessment, existing Enterprise Risk Management (ERM) risk parameters were used to guide the rating of likelihood and impact of each material matter.

The following infographics explain the steps taken in our materiality assessment process.

#### STEP 1: Review of Material Matters

For FY2022, Axiata's past list of material matters were reviewed and reassessed for its relevance to the business strategy and operations.

The material matters were reviewed against Bursa Malaysia's common material matters, GSMA materiality for the mobile industry, Axiata's OpCos material matters and other industry peers.

Then, a **revised list of 16 material matters** were proposed for Axiata's considerations and confirmed after deliberation with the senior management and Board Sustainability Committee (BSC).

#### STEP 2: Stakeholder Engagement

A **stakeholder prioritisation survey** was rolled out across the Group to understand the stakeholders' level of influence and dependence on Axiata. The preliminary outcome of the stakeholder prioritisation survey results was deliberated via a prioritisation workshop for deliberation and consensus.

A **stakeholder engagement survey** was then sent out to Axiata's key internal and external stakeholders to obtain their views on the importance of the sustainability matters.

By consolidating the outcome of the stakeholder prioritisation and engagement surveys, the average scores were tabulated to obtain the input for the **'Influence on Stakeholder Assessments and Decisions'** for the materiality matrix.

#### STEP 3: Sustainability Impact Assessment

A **sustainability impact assessment exercise** was rolled out across the Group including OpCos to obtain a holistic input from business perspectives. Impact rating of each material matters were consolidated with weighted average to produce an overall material matter ratings. Representatives from Axiata Corporate Centre and OpCos were gathered in a **workshop** to discuss the impact ratings for all material matters.

To ensure integration between Axiata's risk and materiality assessment, Axiata's ERM risk parameters were used to guide the rating of likelihood and impact of each material matter.

Through this exercise, the consolidated material matter ratings were deliberated to form the input for the **'Significance of Axiata's Sustainability Impacts'** for the materiality matrix.

#### STEP 4: Calibration of Stakeholder Engagement and Impact Assessment

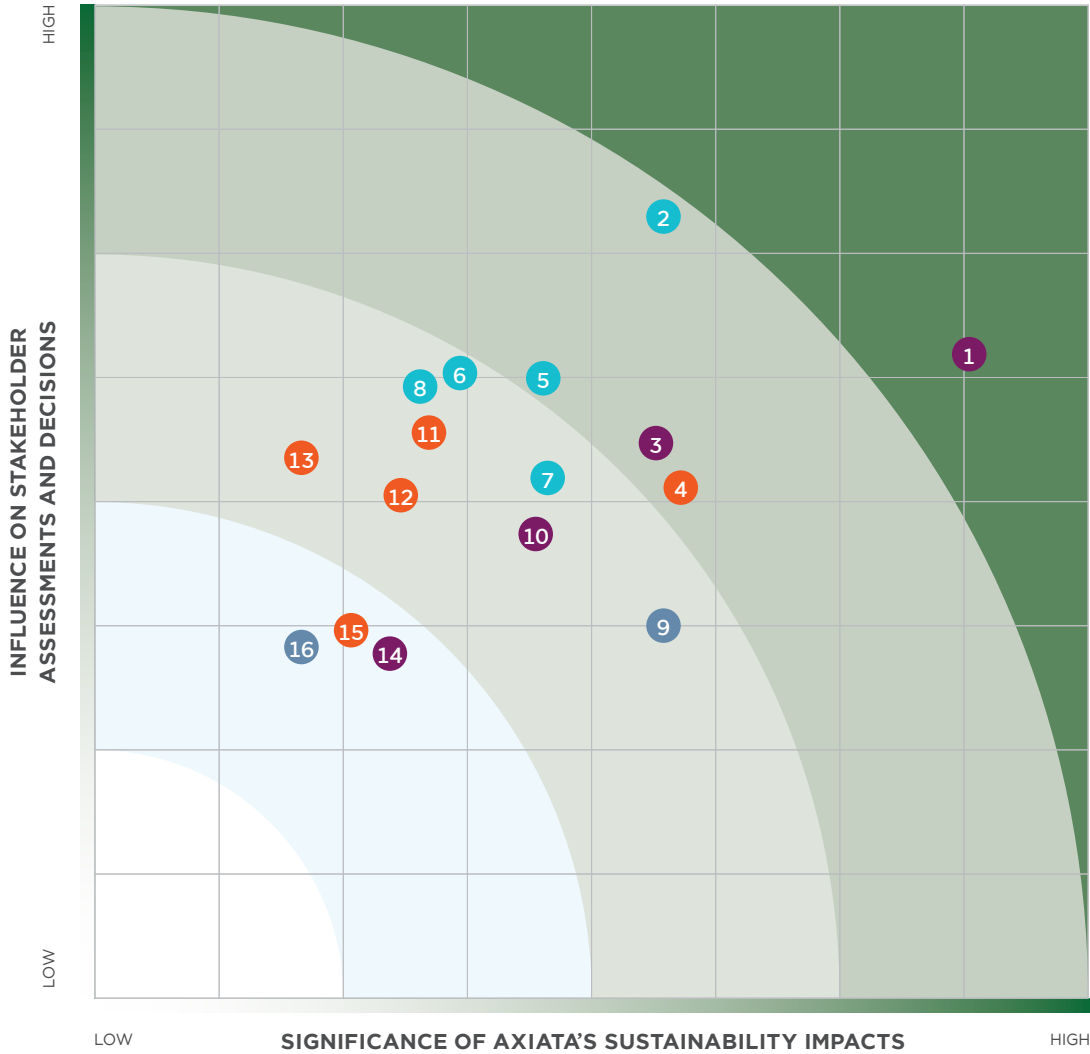
The results from the stakeholder engagement from Step 2 and the impact assessment from Step 3 were analysed and tabulated to form the materiality matrix. Based on the mapping in the matrix, the top material matters were identified.

#### STEP 5: Review and Validation of Materiality Matrix

The materiality matrix was **validated** and approved by senior management, and presented to the BSC for **endorsement**.

# CONSIDERING WHAT MATTERS

## MATERIALITY MATRIX



## LEGEND






Ranking	Sustainability Matters	Importance Level
1	Digital Integrity <sup>#</sup>	High Importance
2	Network Quality & Connectivity <sup>#</sup>	Medium-High Importance
3	Business Ethics & Governance <sup>#</sup>	
4	Emergency & Disaster Response	
5	Sustainable Business Growth	
6	Customer Experience <sup>#</sup>	Medium Importance
7	Digitisation & Innovation <sup>#</sup>	
8	Digital Inclusion	
9	Climate Change <sup>#</sup>	
10	Regulatory & Political Risk	Medium-Low Importance
11	Employee Health, Safety & Wellbeing	
12	Talent Development & Attraction <sup>#</sup>	
13	Fair, Diverse & Inclusive Employment <sup>#</sup>	
14	Sustainable Supply Chain <sup>#</sup>	
15	Community Development	
16	Environmental Management <sup>#</sup>	

- Advancing Digital Societies
- Advancing Our People & Communities
- Advancing Green Economy
- Driving Governance & Risk




<sup>#</sup> The renamed material matters to reflect what is important to the Group and aligned with external expectations as well as standards

## STAKEHOLDER 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 2022.

	Why They Are Important	How We Engage	Topics Raised	Axiata's Response and Results
 <p><b>Customers</b></p>	<p>Our customers refer to the subscribers of Axiata's services and comprise both individual and business consumers. We value each of our customers and the experience that they have on our network, and impact of our solutions and services. We are committed to delivering optimum performance to meet our customers' expectations and user experience.</p>	<p>We undertake a range of surveys across our markets to understand customer satisfaction and expectations. Scores are benchmarked against our peers and the data analyses, among others, drive operational excellence.</p>	<ul style="list-style-type: none"> <li>• Network quality and availability</li> <li>• Improving customer experience</li> <li>• Price of packages, products and service differentiation</li> </ul>	<ul style="list-style-type: none"> <li>• Be the lowest cost producer relative to our customer promise</li> <li>• Drive operational excellence in relation to customer expectations</li> <li>• Creating digital lifestyle products and self-service customer care solutions</li> <li>• Support customers for remote assistance on products, deals and packages, and reliable connectivity</li> </ul>
 <p><b>Suppliers &amp; Business Partners</b></p>	<p>Our suppliers and business partners 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 to build mutual beneficial support to grow respective businesses.</p>	<p>We conduct engagement with key suppliers to understand solutions and services that can drive operational excellence. We come together with our business partners and suppliers to address opportunities for improvement during performance management and the Annual Supplier Forum.</p>	<ul style="list-style-type: none"> <li>• Performance against Supplier Code of Conduct</li> <li>• Emerging corporate developments and understanding of long-term strategy</li> <li>• Opportunities for vendor and partner development</li> <li>• Supplier support and continuity of services during emergency situations (e.g. floods)</li> <li>• Embedding ESG within supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Sourcing local vendors</li> <li>• Supporting the Bumiputera Empowerment Agenda in Malaysia to build local, regional and global champions</li> <li>• Verticalisation of procurement services across the Group to provide scale</li> <li>• Supporting local direct and indirect employment through our supply chain</li> <li>• Value chain discussions for telco industry to operate</li> </ul>
 <p><b>Community &amp; Civil Society Organisations</b></p>	<p>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.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• Support of the UN SDGs</li> <li>• Building capacity of future leaders</li> <li>• Pre- and post-disaster assistance</li> <li>• Addressing local social needs</li> <li>• Developments in digital connectivity and of the wider digital ecosystem for society</li> </ul>	<ul style="list-style-type: none"> <li>• Digital and financial inclusion initiatives covering aspects of digital skills and digital connectivity and inclusivity</li> <li>• Disaster management and response initiatives</li> <li>• Developing national talent towards becoming future leaders</li> <li>• Established Digital Innovation Funds in three countries to spur innovation and local entrepreneurship</li> </ul>
 <p><b>Media</b></p>	<p>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.</p>	<p>We engage with the media through interviews, press releases, conferences and other engagement activities.</p>	<ul style="list-style-type: none"> <li>• Corporate developments</li> <li>• Financial and market performance</li> <li>• Industry trends and issue</li> <li>• Technology breakthrough</li> </ul>	<ul style="list-style-type: none"> <li>• Providing regular performance, network and merger and acquisition updates</li> <li>• Implementation of Axiata 5.0 Vision to advance our digital footprint</li> </ul>
 <p><b>Shareholders, Investors &amp; Analysts</b></p>	<p>As owners of Axiata, shareholders and analysts 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.</p>	<p>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, including ESG related matters.</p>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Long-term business strategy</li> <li>• Board composition</li> <li>• ESG strategy, performance and disclosures which include management of climate related risks</li> <li>• Share price performance and outlook</li> <li>• Support of the UN SDGs</li> <li>• Labour standards</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency in corporate reporting and disclosures through multiple platforms and sharing of these reports for wider public awareness</li> <li>• Briefings and engagements with shareholders on emerging topics in the industry and national landscape</li> <li>• Heightened investor focus on ESG matters</li> </ul>

## STAKEHOLDER ENGAGEMENT

	Why They Are Important	How We Engage	Topics Raised	Axiata's Response and Results
<p><b>Regulators and Government</b></p> 	<p>Our regulators and authorities specify the national laws and regulations that determine the licence and scope of our activities in our respective operating markets. They provide our OpCos access to operating licences and impose regulatory measures which have potential cost implications for the Group.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• Spectrum allocations and licensing fees</li> <li>• Taxation and industry long-term sustainability</li> <li>• Compliance with regulations and customer service standards</li> <li>• Information security and data protection</li> <li>• IR 4.0 and digitalisation towards the Digital Economy</li> <li>• Developing local digital talents and national talent pipelines</li> <li>• Integration of ESG matters into the business operations, particularly climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Investing in the development of local telecommunication infrastructure</li> <li>• Contributing directly and indirectly to the development of the local and regional digital economy</li> <li>• Supporting digital innovation funds to drive the development of local and regional digital ecosystems</li> <li>• Deploying world-class cyber security and data privacy practices</li> <li>• Active engagement and dialogues with regulators and government agencies to foster collaboration, highlight telco concerns as well as anticipate and adequately respond to ESG regulations or disclosure requirements</li> </ul>
<p><b>Industry Bodies</b></p> 	<p>As a regional industry player in the telecommunications industry, we collaborate and partner with other industry bodies within and related to the industry as well as aligned with key area of interests.</p>	<p>We engage with relevant industry bodies through regular discussions and business roundtables for the continual improvements of telecommunications industry.</p>	<ul style="list-style-type: none"> <li>• Business continuity and opportunities</li> <li>• Partnerships and collaborations</li> </ul>	<ul style="list-style-type: none"> <li>• Roundtables with United Nations Global Compact Network Malaysia &amp; Brunei (UNGCMYB) and GSMA and industry players on renewable energy in Malaysia</li> <li>• As part of thought leadership, we actively engage with industry bodies to foster collaboration, highlight telco concerns as well as anticipate and adequately respond to ESG regulations or disclosure requirements</li> <li>• Engage in telco industry proceedings and policies that improve the industry and benefit communities and society</li> </ul>
<p><b>Employees, Management &amp; Board</b></p> 	<p>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.</p>	<p>Axiata conducts an annual Employee Engagement Survey, regular townhalls and a range of digital platforms to stay engaged with employees across the Group.</p>	<ul style="list-style-type: none"> <li>• Long-term business strategy and performance</li> <li>• Career and talent development opportunities</li> <li>• Work-life balance and employee wellbeing support</li> <li>• Pay and remuneration</li> <li>• Diversity and inclusivity</li> <li>• Board Sustainability Committee (previously Board Annual Report Committee) provides enhanced oversight on ESG management across Axiata in addition to the preparation of the Integrated Annual Report Suite (includes SNCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Providing job opportunities to local citizens</li> <li>• Group and OpCo Talent Development programmes</li> <li>• Transforming towards a Modern, Agile and Digital (M.A.D.) organisation</li> <li>• Ensuring a Diverse, Equity and Inclusion (DEI) working environment</li> </ul>

# OUR RISKS LINKED TO STRATEGY

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

<b>FINANCIAL RISK</b>	Risk Category: <b>Financial Risk</b>	Risk Movement: <b>Unchanged</b>	Risk Level: ●
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Exposure to foreign exchange (forex) risk across 10 markets due to weakened frontier market currencies against the USD, with rising US interest rates and the risk of a global recession, including significant unrealised forex losses from Dialog due to socioeconomic and political crisis in Sri Lanka</li> <li>Liquidity of USD in certain markets may constrain debts servicing, with limited balance sheet headroom posing funding and cashflow constraints in anticipation of Merger and Acquisition (M&amp;A) activities</li> <li>Volatile market conditions complicate financial budgeting</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Major risk impact</li> <li>Liquidity crisis in certain markets may cause payment delays that could impact domestic operations, with risk of delayed repatriation of funds</li> <li>Devaluation of local currency against USD increases risk of breaching financial covenants for those with USD debt exposure</li> <li>Unrealised forex losses arising from USD debt liabilities due to local currency depreciation can deplete retained earnings and limit dividend upstream capabilities</li> </ul>	<p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: Axiata Treasury Management Centre</b></p> <ul style="list-style-type: none"> <li>To proactively manage macroeconomic risk, Axiata continuously monitors and adjusts its capital structure across the Group and OpCos</li> <li>Monitor current and future outlook of the relevant economies and foreign exchange markets</li> <li>Develop hedging strategies that are governed strictly by the treasury policies</li> <li>Oversee and control the Group's treasury and funding matters</li> <li>Strict implementation and monitoring of the Group's capital structure guardrails such as the Gross Debt/ EBITDA ratio, local and foreign currency debt mix, hedging of foreign currency debt (where available), fixed and floating interest rate mix, average tenure of debts and the liquidity ratio</li> </ul>	<p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Exposure to funding and cashflow constraints in anticipation of M&amp;A activities (Funding risk)</li> <li>Unable to meet Axiata's financial obligations (Liquidity risk)</li> <li>Exposure to forex currency volatilities across 10 markets of operation (Forex risk)</li> <li>Financial losses due to overall performance of investments on the financial market</li> </ul> <p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Proactive and pre-emptive solutioning to avoid payment defaults due to in-country liquidity shortage</li> </ul> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>1 2 3 9</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Sustainable Business Growth</li> <li>Network Quality &amp; Connectivity</li> <li>Customer Experience</li> <li>Digitisation &amp; Innovation</li> <li>Regulatory &amp; Political Risk</li> </ul>	

<b>MARKET RISK</b>	Risk Category: <b>Strategic Risk</b>	Risk Movement: <b>Unchanged</b>	Risk Level: ●
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Challenging emerging markets macroeconomic and geopolitics landscape impacting forex and commodity costs</li> <li>Supply chain disruptions due to global trade uncertainties</li> <li>Fragmented market structures and high infrastructure costs</li> <li>Rapid advancement of IR 4.0 and telco technologies</li> <li>Exponential growth in data consumption, offset by rising price competition and consumer price sensitivity, resulting in pressured margins due to limited revenue growth and escalating costs and investment requirements</li> <li>Intensified competition, particularly in Indonesia and Nepal, with aggressive pricing strategy amid ever-expanding viable options</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Major risk impact</li> <li>Currency fluctuation may cause inflationary pressure which could lead to shrinking consumer affordability (top line impact) and cost escalation, especially for USD-linked expenditures (bottom line impact), with potential implications to EBITDA in the short to medium-run</li> </ul>	<ul style="list-style-type: none"> <li>Exponential data consumption growth and technological evolution intensifying, expected to translate into cyclical pressure on capex and product pricing in the long-run</li> </ul> <p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: OpCo CEOs</b></p> <ul style="list-style-type: none"> <li>Strategic focus on digitisation, analytics and automation initiatives, internally and through external partnerships, to improve revenue yield per customer</li> <li>Selective industry consolidation in targeted markets</li> <li>Establish strategic ties with hyper-scalers Over-the-Top (OTT) and digital product developers to create customer-centric products and services</li> <li>Seek opportunities to share telco infrastructure to reduce investment cost</li> <li>Invest in new technologies to improve competitiveness and reduce future cost of gigabyte production (cost/GB)</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Macroeconomic outlook e.g. currency exchange rates, key interest rates, inflation rates, fuel rates, etc.</li> </ul>	<p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Improved operational efficiency and cost structure through tactical cost transformation initiatives</li> <li>Strategic move towards increased adoption of digitisation, analytics and automation</li> <li>Strategic Group oversight and heightened cross-entity collaborations for knowledge sharing and leveraging combined learnings to address OpCo-specific risks and/or opportunities</li> </ul> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>2 3 4 9</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Network Quality &amp; Connectivity</li> <li>Customer Experience</li> <li>Digital Integrity</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Business Ethics &amp; Governance</li> <li>Regulatory &amp; Political Risk</li> </ul>	



# OUR RISKS LINKED TO STRATEGY

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

<p><b>PEOPLE RISK</b></p> <p><b>Context</b></p> <ul style="list-style-type: none"> <li>Increasing demand for digital and compliance-based talent</li> <li>Loss of key talent remains a pressing concern</li> <li>Retention and recruitment issues post-pandemic due to new working model, mental health deterioration, the Great Resignation Era and other factors</li> <li>High attrition rate for in-demand roles in 2023 as analysts forecast increased competition for talents</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Moderate risk impact</li> <li>Increased competition and challenges in attracting and securing talents</li> <li>Potential loss of key talents and resource limitations could hamper Axiata 5.0 Vision achievement</li> </ul> <p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: Group People Division</b></p> <ul style="list-style-type: none"> <li>Dynamic talent acquisition approach, robust talent development programmes, attractive performance-based rewards and safe work environment</li> </ul>	<p>Risk Category: <b>Operational Risk</b></p> <ul style="list-style-type: none"> <li>Advocate staff empowerment to respond to changing customer demands and work processes</li> <li>Employee engagement to motivate and maintain morale, and reduce attrition</li> <li>Adapt to distributed workforce and changed work modes by incorporating alternative talent sources such as contract and gig</li> <li>Policies and self-declared documents from our people via the Code of Conduct and Conflict of Interest that sets out rules and guidelines on how personnel are expected to conduct business and behave themselves are updated periodically</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Loss of key personnel</li> <li>Leadership competency gap</li> <li>Capacity &amp; capability shortage</li> <li>Employee safety &amp; health risk</li> <li>Insider threats</li> </ul>	<p>Risk Movement: <b>Decreased in 2022</b></p> <p>Risk Level: ●</p> <p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Explored collaboration with external organisations to broaden opportunities for talents development</li> <li>Accelerated development of senior-level talents for CXO-level roles through bespoke and targeted approach</li> <li>Refreshed Axiata Employee Value Proposition (EVP) to increase talent attraction across various levels</li> </ul> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>3 4 7 8</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Customer Experience</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Digitisation &amp; Innovation</li> <li>Fair, Diverse &amp; Inclusive Employment</li> <li>Talent Development &amp; Attraction</li> <li>Employee Health, Safety &amp; Wellbeing</li> <li>Business Ethics &amp; Governance</li> <li>Digital Integrity</li> <li>Sustainable Supply Chain</li> </ul>
<p><b>CYBER AND DATA PRIVACY RISK</b></p> <p><b>Context</b></p> <ul style="list-style-type: none"> <li>Maintaining confidentiality, integrity and system availability of customers, employees and sensitive business information</li> <li>Adequate protection and response against cyber security attacks and data privacy breaches</li> <li>Inspiring customer confidence and digital trust and resilience as a competitive differentiator</li> <li>Emergence of new industries that run cyber security attacks as a form of business</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Major risk impact</li> <li>Loss of revenue, service and market share, competitive edge, brand reputation and trust</li> <li>Incur regulatory penalties and adverse legal and financial impact</li> </ul> <p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: Group Risk and Compliance</b></p> <ul style="list-style-type: none"> <li>Develop and implement Privacy and Cyber Security policies, frameworks and standards</li> <li>Implement cyber security strategy to improve overall maturity and resilience, measure maturity against NIST<sup>1</sup> Cyber Security Framework</li> </ul>	<p>Risk Category: <b>Operational Risk</b></p> <ul style="list-style-type: none"> <li>Perform independent benchmark and maturity reviews to validate effectiveness</li> <li>Commissioned and operationalised Axiata Cyber Fusion Centre</li> <li>Enhance detection, response and offensive security capabilities</li> <li>Enhance situational awareness and resilience through public-private efforts</li> <li>Remediate identified telecom infrastructure risks through independent assessments</li> <li>Implement IAPP<sup>2</sup>/CIPM<sup>3</sup> and GDPR best practices for compliance with PDPA and the privacy programme</li> <li>Vendors and partners to comply with data protection and compliance controls in Axiata's Supplier Code of Conduct and contracts</li> <li>OpCos aligned with common KPIs collaborate to achieve Group objectives</li> <li>Centrally manage security monitoring and threat intelligence for prompt response to malicious events</li> <li>Perform simulations of critical threats to improve response capability</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Monitoring cyber events and incidents by severity</li> <li>Measuring NIST Cyber Security Maturity</li> <li>Monitoring and lowering the Mean Time To Resolve (MTTR) incidents</li> <li>Age of open vulnerabilities</li> </ul>	<p>Risk Movement: <b>Unchanged</b></p> <p>Risk Level: ●</p> <p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Maintained higher protection levels and monitoring for business-critical services</li> <li>Group Security Operations actively engaged in threat-hunting activities</li> <li>Vulnerability Management and remediation actively monitored to lower risk</li> </ul> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>2 3 4 7</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Network Quality &amp; Connectivity</li> <li>Business Ethics &amp; Governance</li> <li>Digital Integrity</li> <li>Customer Experience</li> <li>Regulatory &amp; Political Risk</li> <li>Sustainable Business Growth</li> </ul>

Notes: <sup>1</sup> NIST = National Institute of Standards and Technology

<sup>2</sup> IAPP = International Association of Privacy Professionals

<sup>3</sup> CIPM = Certified Information Privacy Manager

# OUR RISKS LINKED TO STRATEGY

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

STRATEGIC AND INVESTMENT RISK	Risk Category: <b>Strategic Risk</b>	Risk Movement: <b>Unchanged for Non-Frontier Market Increased in 2022 for Frontier Market</b> Risk Level: ●
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Liquidity challenges in Sri Lanka and Bangladesh impact purchasing and ability to repatriate dividends</li> <li>Industry restructuring and rationalisation via market convergence and consolidation</li> <li>Challenges and investment costs for Digital and Enterprise businesses due to interest rates increase and persistent inflation affecting cost of funding and cost of doing business</li> <li>Central banks' interest rate hikes to tame inflation failed to decrease prices, raising expectation of stagflation in the global economy</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>External factors such as regulatory approvals and counterparty risks can hinder M&amp;A progress and industry restructuring</li> <li>Potential for goodwill impairment as Weighted Average Cost of Capital (WACC) rises in frontier markets</li> <li>Catastrophic risk impact for frontier market and non-frontier market</li> </ul> <p><b>Mitigating Actions and Opportunities Arising</b> <b>Risk Owners: Group Corporate Development</b></p> <ul style="list-style-type: none"> <li>Closely monitor the competitive landscape, explore and invest in upgrading technology and platform as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Review products and service relevance</li> <li>Practices prudent cost management</li> <li>Establish strong strategic alliances with network vendors to keep pace with technology shifts</li> <li>Venture into new growth areas to create additional revenue streams</li> <li>Invest in new markets and services that rely on connectivity</li> <li>Mergers and Acquisition Committee, chaired by the GCEO, oversees all acquisitions and divestments and, at the same time, maintains a robust due diligence process to evaluate and manage the potential risks involved</li> <li>Post-acquisition, transition teams are formed to ensure the proper implementation of organisational and cultural changes necessary to integrate the acquired company successfully</li> <li>To mitigate exposure in frontier markets, Axiata manages capital per its Capital Management Framework</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Risk of frontier market</li> <li>Exposure to adverse macroeconomics and emerging markets situation</li> <li>Slow trajectory and no new growth areas</li> <li>Axiata unable to achieve dividend target payout</li> <li>Exposure to industry restructuring and rationalisation</li> </ul>	<p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Increase engagement with regulators, counterparties, different stakeholders</li> <li>Sweat existing assets and operational excellence to build sustainable cashflows in OpCos in frontier markets</li> </ul> <p><b>Link to Strategy and Material Matters</b> <b>Our Strategic Response</b></p> <p>1 3 6 7 8 9 10</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Network Quality &amp; Connectivity</li> <li>Customer Experience</li> <li>Talent Development</li> <li>Digital Inclusion</li> <li>Digitisation &amp; Innovation</li> <li>Sustainable Business Growth</li> <li>Sustainable Supply Chain</li> </ul>
REGULATORY RISK	Risk Category: <b>Compliance Risk</b>	Risk Movement: <b>Unchanged</b> Risk Level: ●
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Broad range of telco regulations, depending on market maturity</li> <li>Potential increase in tax and levies imposed by the relevant regulatory bodies</li> <li>Regulatory environment poised for 5G</li> <li>Policymakers resuming pre-COVID-19 policies, including modernisation of sectoral legislation and regulatory framework, and development of digital economy blueprints</li> <li>Increased scrutiny of big tech may lead to digital regulations in Asia Pacific</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Catastrophic risk impact</li> <li>Increased compliance costs and higher exposure to penalties</li> <li>Unbalanced playing field</li> </ul> <p><b>Mitigating Actions and Opportunities Arising</b> <b>Risk Owners: Group Regulatory</b></p> <ul style="list-style-type: none"> <li>Advocate strict compliance, fair and transparent practices in government policies</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve process flows for swift and cost-effective responses to changing regulations</li> <li>Axiata senior officials engage regulatory officers to establish sustainable regulatory regimes for mobile telecommunication</li> <li>Participate in government consultations and industry events to collaborate and share knowledge on best policies and practices, including with relevant partners such as the International Telecommunication Union (ITU), World Bank and GSMA</li> <li>Axiata's Regulatory Compliance Framework and Action Plan manage regulatory compliance risks</li> <li>Appoint stakeholder representatives to engage directly with top-level stakeholders, push National Champion agenda, maximise investment synergies and support crisis management activities</li> <li>Dedicate resources to monitor developments and maintain relationships with governing authorities</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Regulatory non-compliance</li> <li>New regulatory non-compliance risks - loss of spectrum, spectrum refarming and onerous spectrum/license renewal conditions</li> </ul>	<p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Enhanced Axiata Regulatory Compliance Framework</li> <li>Appointed Axiata stakeholder representatives for selected markets</li> </ul> <p><b>Link to Strategy and Material Matters</b> <b>Our Strategic Response</b></p> <p>4 7</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Network Quality &amp; Connectivity</li> <li>Business Ethics &amp; Governance</li> <li>Digital Integrity</li> <li>Regulatory &amp; Political Risk</li> <li>Sustainable Supply Chain</li> </ul>

# OUR RISKS LINKED TO STRATEGY

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

TECHNOLOGY RISK		
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Exposed to broader economic headwinds, with considerable pressure on working capital and liquidity</li> <li>Continuous investments in new technologies, upgrades and equipment</li> <li>Premature obsolescence of key technology and equipment due to rapid technological advances</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Major risk impact</li> <li>Can impact Axiata's ability to create value</li> <li>Short-term: Pressure on working capital and liquidity leading to cash flow issues and increased competition due to rapid technological advances</li> <li>Medium-term: Challenges in keeping up with technological changes and funding major initiatives due to pressure on working capital and liquidity could limit Axiata's ability to remain competitive and achieve future growth</li> <li>Long-term: Failure to keep up and invest in new technologies and innovations could lead to premature technology obsolescence, reducing the long-term value and limiting ability to remain competitive</li> </ul>	<p>Risk Category: <b>Operational Risk</b></p> <p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: Group Technology</b></p> <ul style="list-style-type: none"> <li>Constantly reviews and updates technological capabilities to remain relevant while maintaining financial prudence</li> <li>Future proofing is therefore identified as a critical criterion in selecting network equipment and is built into the procurement process</li> <li>Axiata is closely studying the technological advancements in the mobile communications industry, while carefully crafting the future network strategy</li> <li>Diversifying revenue streams across geographies, markets and business lines</li> <li>Emphasising cost optimisation by reducing operating cost, increasing efficiency in operations and improving supply chain management</li> <li>Investing in new technologies and partnerships to collaborate with others to leverage synergies</li> <li>Minimise the risk of technology debt by conducting thorough due diligence before investing in technologies</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Working capital and liquidity ratios</li> <li>Research and development spending</li> </ul>	<p>Risk Movement: <b>Unchanged</b></p> <p>Risk Level: ●</p> <ul style="list-style-type: none"> <li>Technology obsolescence</li> <li>Customer satisfaction and retention</li> <li>Revenue growth and market share</li> </ul> <p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Improved technology planning and procurement</li> <li>Enhanced customer experience</li> <li>Strengthened partnerships and collaborations</li> <li>Improved risk management framework</li> </ul> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>2 3 4 5 6</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Network Quality &amp; Connectivity</li> <li>Business Ethics &amp; Governance</li> <li>Digital Integrity</li> <li>Emergency &amp; Disaster Response</li> </ul>

GOVERNANCE RISK		
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Ensuring high ethical standards and good corporate governance</li> <li>Section 17A of the MACC Act came into effect in June 2020 and has taken centre stage in corporate governance focus</li> <li>Heightened investor focus on ESG matters</li> <li>Updated reporting requirements with enhanced sustainability disclosure under Bursa Malaysia Main Market Listing Requirements which includes addressing the TCFD reporting framework</li> <li>Pose significant risks to cashflow and customer experience/ quality of service arising from over/ underinvestment in capex</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Moderate risk impact</li> <li>Loss of investors' confidence</li> <li>Potential material penalties in the event of breach/ non-compliance with the MACC Act related to Anti-Bribery and Anti-Corruption (ABAC)</li> <li>Enhanced sustainability disclosure requirements and regulations may disrupt operations, lead to penalties/ fines or impact investor confidence</li> <li>Intentional or unintentional 'greenwashing' can damage stakeholder trust and brand value</li> <li>Investor expectations on returns impacted by cash flow from operations and capex investments</li> </ul>	<p>Risk Category: <b>Compliance Risk</b></p> <p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: Group Risk and Compliance, Group Sustainability, Group Finance</b></p> <ul style="list-style-type: none"> <li>Maintaining and developing strong ethical platform and corporate governance standards to support business integrity and performance</li> <li>Implement compliance programme and enhance overall maturity</li> <li>Implement ABAC procedures, revise policies and procedures, and align processes with appropriate control mechanisms</li> <li>Establish automated systems</li> <li>Mandatory training and awareness programmes for all employees</li> <li>Perform independent benchmarks to ensure adequacy and effectiveness of compliance programmes</li> <li>Introduce technology to identify, assess and manage ABAC risk</li> </ul> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Non-compliance/breach cases/deviation from Group's governance policy instruments</li> <li>Bribery and corruption charges that may lead to corporate liability charges</li> <li>Regulatory fines and loss of reputation</li> <li>Inability to achieve ESG target</li> <li>Capex to revenue and capex to EBITDA ratios to align with competition</li> </ul>	<p>Risk Movement: <b>Unchanged</b></p> <p>Risk Level: ●</p> <p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Operationalised and strengthened compliance culture through training and certification programmes and launched the Governance &amp; Regulatory Academy online knowledge platform</li> <li>Conducted continuous half-yearly reporting to MACC on Axiata's Integrity and Governance Unit (IGU) activities</li> <li>Completed governance review and anti-bribery and anti-corruption laws</li> <li>Refreshed sustainability approach including ESG-related targets and enhanced sustainability governance Group-wide</li> <li>Released quarterly capex in line with ongoing traffic forecasts as opposed to annual capex planning cycles in past years</li> </ul> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>3 7 8</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Digital Integrity</li> <li>Sustainable Business Growth</li> <li>Business Ethics &amp; Governance</li> <li>Regulatory &amp; Political Risk</li> <li>Climate Change</li> <li>Environmental Management</li> </ul>

# OUR RISKS LINKED TO STRATEGY

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

GEO-POLITICAL RISK	Risk Category: <b>Strategic Risk</b>	Risk Movement: <b>Unchanged</b> Risk Level: ●
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Socioeconomic and political crisis in Sri Lanka leads to rising inflation and weakening Sri Lankan Rupee against the USD</li> <li>Political instabilities, civil unrest and other social tensions</li> <li>Adverse regulatory changes and uncertainty in policy making</li> <li>US-China trade tension as new sanctions and actions are imposed towards each other</li> <li>Ongoing Russia-Ukraine war continues with no clear resolution in sight</li> </ul> <hr/> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Work closely with OpCos to assess changing political landscape and respond promptly, using their local knowledge and expertise</li> <li>Maintain neutral government relations and contribute to socioeconomic development through CSR initiatives</li> <li>Established Capital Management Framework to manage capital</li> </ul>	<p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: OpCo Management, Group Regulatory</b></p> <ul style="list-style-type: none"> <li>Axiata works closely with the Management of the respective OpCos, leveraging on their local expertise, knowledge, and ability to continually assess the changing political scenario and have in place various measures to ensure a timely response in the event of such occurrences</li> <li>Axiata's emphasis is on maintaining a neutral government relation and contribute to the socioeconomic development of these countries through various Corporate Social Responsibility (CSR) initiatives, as highlighted in the Annual Sustainability and National Contribution Report</li> <li>Managing capital with the establishment of a Capital Management Framework</li> </ul> <hr/> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Geo-political risk due to change of government and other developments</li> </ul>	<p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Capital Management Framework</li> </ul> <hr/> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>1 3 7 8</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Talent Development</li> <li>Sustainable Business Growth</li> <li>Business Ethics &amp; Governance</li> <li>Regulatory &amp; Political Risk</li> <li>Community Development</li> </ul> <ul style="list-style-type: none"> <li>Fair, Diverse &amp; Inclusive Employment</li> <li>Employee Health, Safety &amp; Wellbeing</li> </ul>
OPERATIONAL RISK	Risk Category: <b>Operational Risk</b>	Risk Movement: <b>Unchanged</b> Risk Level: ●
<p><b>Context</b></p> <ul style="list-style-type: none"> <li>Global shortage of chip supplies expected to last up to 2023 with hike in chip prices</li> <li>Complex end-to-end telco business with three distinct business segments of Digital Telcos, Digital Businesses and Infrastructure</li> <li>Possible operational disruptions include blackouts, brownouts, disruptions to infrastructure networks and critical private-sector institutions</li> </ul> <hr/> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>Catastrophic risk impact</li> <li>Shortage of chip supplies and price hikes could lead to cost increases, impacting short-term profitability and limiting its investment ability and scale operations</li> <li>Infrastructure network disruptions could cause service disruptions impacting customer satisfaction and brand reputation</li> </ul> <hr/> <p><b>Mitigating Actions and Opportunities Arising</b></p> <p><b>Risk Owners: Group Technology, Axiata Procurement Centre</b></p> <ul style="list-style-type: none"> <li>Monitor critical supplier performance and develop new relationships to reduce dependency on single-source suppliers</li> <li>Group Business Continuity Plan identifies critical business processes and adequate recovery actions to address possible risks</li> </ul>	<ul style="list-style-type: none"> <li>Working with international standards agencies to standardise SIMS will reduce variances and improve availability of supply</li> <li>Focusing on operational resilience by implementing backup power systems and redundancy measure to minimise impact of infrastructure disruptions</li> <li>Diversifying the supply chain by maintaining local suppliers but extending to other regions to secure deliveries at a slight premium</li> <li>Focus on innovation to identify new technologies and products that are less reliant on scarce materials</li> </ul> <hr/> <p><b>Key Risk Indicators</b></p> <ul style="list-style-type: none"> <li>Operation and supply chain disruption</li> <li>Reputation risk</li> <li>System downtime</li> <li>Process efficiency</li> <li>Vendor performance</li> <li>Fraud incidents</li> </ul> <hr/> <p><b>Changes for 2022</b></p> <ul style="list-style-type: none"> <li>Conducted ongoing inventory management to ensure sufficient stockpiles of critical components/ materials</li> <li>Diversified suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Adopted alternative technologies to reduce dependence on hardware-based solutions</li> <li>Reduced energy consumption to minimise risk of disruptions due to blackouts or brownouts</li> <li>Strengthened partnerships to ensure access to critical resources and infrastructure even in the face of disruptions</li> </ul> <hr/> <p><b>Link to Strategy and Material Matters</b></p> <p><b>Our Strategic Response</b></p> <p>3 4 7 8</p> <p><b>Link to Material Matters</b></p> <ul style="list-style-type: none"> <li>Network Quality &amp; Connectivity</li> <li>Customer Experience</li> <li>Digital Inclusion</li> <li>Sustainable Business Growth</li> <li>Digitisation &amp; Innovation</li> <li>Climate Change</li> <li>Environmental Management</li> <li>Community Development</li> </ul> <ul style="list-style-type: none"> <li>Digital Integrity</li> <li>Emergency &amp; Disaster Response</li> <li>Employee Health, Safety &amp; Wellbeing</li> <li>Business Ethics &amp; Governance</li> <li>Regulatory &amp; Political Risk</li> <li>Sustainable Supply Chain</li> </ul>

## REFINING OUR STRATEGY TO UNLOCK FUTURE VALUE

### VISION

**The Next Generation Digital Champion**

### ASPIRATIONS

#### Digital Telcos

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

#### Digital Businesses

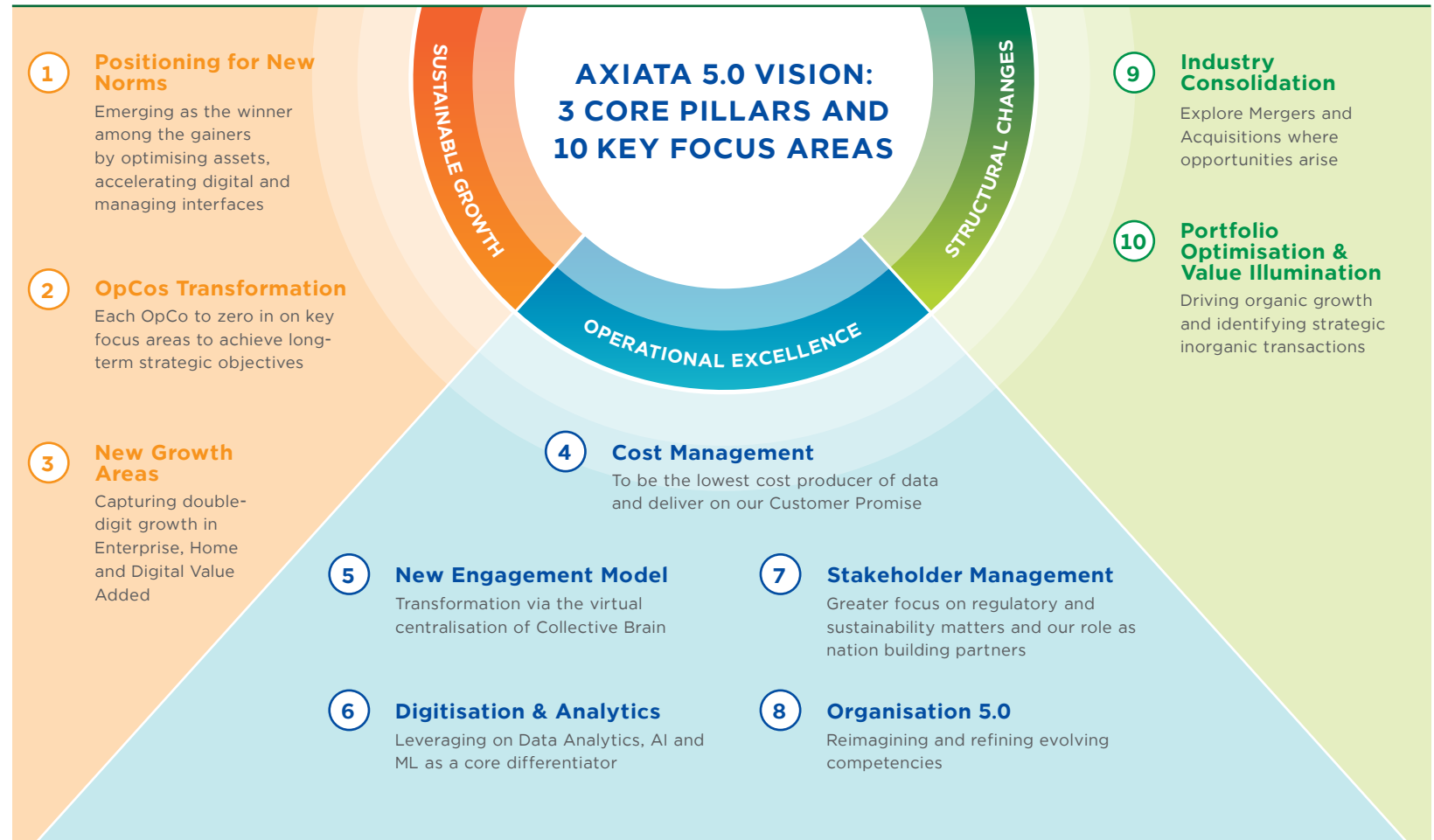
Create 2 'Unicorns'

#### Infrastructure

Top 5 Global TowerCo

### Axiata's path to securing its aspiration as The Next Generation Digital Champion is guided by our Axiata 5.0 Vision

Our strategy remains centred on progressing regional connectivity and building inclusive digital ecosystems that empower communities and businesses to build a better future. We are strengthening our digital core to capitalise on the consolidating market environment and the significant shifts in digital demand to deliver strong growth momentum. Our journey from Telco to TechCo is a strategic path that will enable us to unlock valuable strengths and harness synergies within the business value chain, bringing us closer to our aspirational vision of Advancing Asia.



## CREATING BOUNDLESS BUSINESS POSSIBILITIES

Supporting entrepreneurial dreams  
through digital innovation funds in  
Malaysia, Sri Lanka, Cambodia and  
Bangladesh

**AXIATA DIGITAL INNOVATION  
FUND (ADIF) INVESTEE,  
HAPPY BUNCH**



WELCOME TO  
**HB**  
HAPPY  
BUNCH

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**HOW WE  
CREATE VALUE**

# OUR VALUE CREATION MODEL

## OUR SIX CAPITAL INPUTS

- FC Financial Capital**

Capital providers supply us with the necessary funding for our business, in addition to cash generated from operations and investment.

  - Gross Debt/EBITDA ratio of **2.9x**
  - Debt Equity Ratio of **1.2x**
  - Operating expenses of **RM15.1 billion**
  - Capital expenditure of **RM6.5 billion**
- HC Human Capital**

Our skilled regional workforce is a pivotal part of Axiata's business model. Our engaged, diverse and innovation-driven employees contribute to the success of our business.

  - More than **14,341** employees from 80 nationalities across Asia
  - **293,943<sup>1</sup>** training hours logged in 2022
- IC Intellectual Capital**

Our strong brand equity and trust, culture, digitalisation and analytics efforts, as well as our digitised procedures and processes differentiate us in the marketplace.

  - Launched and operationalised Axiata Cyber Fusion Centre to deliver world-class cyber security capabilities
  - Catalyse public-private partnerships and collaborations to heighten cyber resilience within the region
- SRC Social & Relationship Capital**

Continuous and ongoing close engagements and partnerships with our key stakeholders, among others, are key towards ensuring we maintain strong and trusted relationships with our stakeholders.

  - 2022 Brand Power Results:
    - **#1** in Sri Lanka, Cambodia & Nepal
    - **#2** in Malaysia, Indonesia & Bangladesh
- MC Manufactured Capital**

Our network infrastructures and data centres are an important source of competitive differentiation. Our Manufactured Capital also includes office buildings for our workforce.

  - **32,689** towers owned by EDOTCO
  - **25,445** towers managed by EDOTCO
  - Group-wide BTS infrastructure
  - Group Plant, Property and Equipment (PPE) value of **RM27.2 billion**
- NC Natural Capital**

We consume energy in our operations and use land to house our towers and other infrastructure.

  - Direct energy consumption of **0.94 million GJ**
  - Indirect energy consumption of **6.90 million GJ**

## Material Matters

- Sustainable Business Growth
  - Network Quality & Connectivity
  - Digital Inclusion
  - Digitisation & Innovation
  - Customer Experience
  - Climate Change
  - Environmental Management
  - Fair, Diverse & Inclusive Employment
  - Talent Development & Attraction
  - Emergency & Disaster Response
  - Employee Health, Safety & Wellbeing
  - Community Development
  - Business Ethics & Governance
  - Digital Integrity
  - Regulatory & Political Risk
  - Sustainable Supply Chain
- [IAR, Considering What Matters on pages 26 to 27](#)

## BUSINESS ACTIVITIES

**Our Purpose**  
Advancing Asia

**Our Vision**  
The Next Generation Digital Champion

**Triple Core Business**



**DIGITAL TELCOS**



**DIGITAL BUSINESSES**



**INFRASTRUCTURE**

**Our Values**  
Uncompromising Integrity, Exceptional Performance (UI.EP)

**Axiata 5.0 Vision: 3 Core Pillars and 10 Key Focus Areas**

- |                                     |   |                                     |
|-------------------------------------|---|-------------------------------------|
| <p>1. <b>SUSTAINABLE GROWTH</b></p> | <p>2. <b>OPERATIONAL EXCELLENCE</b></p> | <p>3. <b>STRUCTURAL CHANGES</b></p> |
|-------------------------------------|---|-------------------------------------|

**10 Key Focus Areas**

- |  |  |
|--|--|
| <p>1. Positioning for New Norms</p> <p>2. OpCos Transformation</p> <p>3. New Growth Areas</p> <p>4. Cost Management</p> <p>5. New Engagement Model</p> | <p>6. Digitisation &amp; Analytics</p> <p>7. Stakeholder Management</p> <p>8. Organisation 5.0</p> <p>9. Industry Consolidation</p> <p>10. Portfolio Optimisation &amp; Value Illumination</p> |
|--|--|

[IAR, page 35](#)

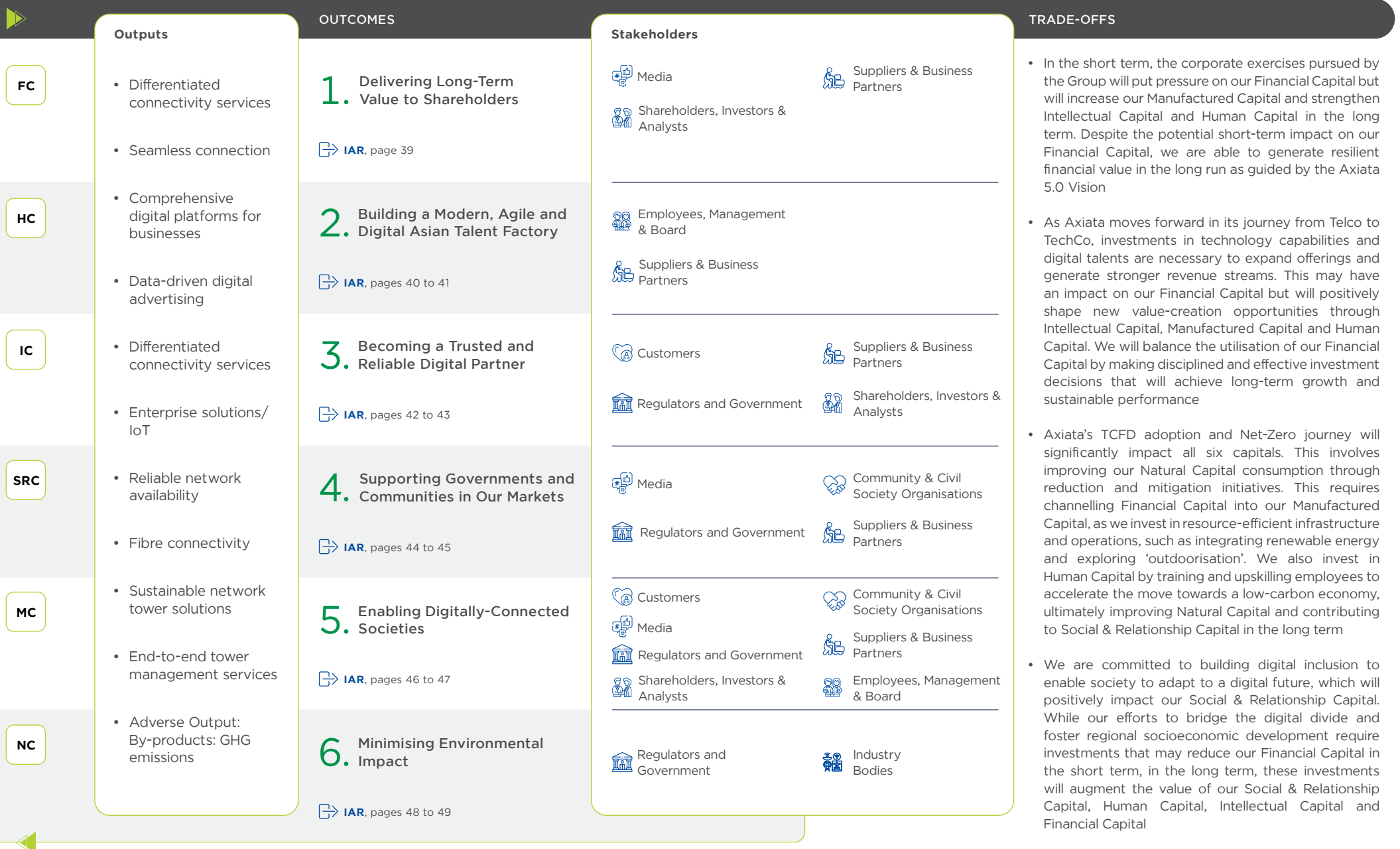
**In Alignment with Axiata Sustainability Framework**

- |                                    |                                |   |                                      |
|------------------------------------|--------------------------------|---|--------------------------------------|
| <p>Advancing Digital Societies</p> | <p>Advancing Green Economy</p> | <p>Advancing Our People &amp; Communities</p> | <p>Driving Governance &amp; Risk</p> |
|------------------------------------|--------------------------------|---|--------------------------------------|

[SNCR, Axiata Sustainability Framework on pages 11 to 13](#)

Note: <sup>1</sup> The data above excludes Celcom and Digital Businesses

# OUR VALUE CREATION MODEL





# 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 RM1.7 billion in savings, including RM1.1 billion from capex savings and RM0.6 billion from opex savings
- Strengthening of OpCo Dividend Policy with a minimum 50% payout
- Declaration of a special dividend of 4 sen per share following the successful completion of the Celcom-Digi merger
- Execution of a Capital Allocation Framework based on five key guardrails which include country capital allocation, segment capital allocation, investment affordability by sources of capital, return requirements and reprioritised portfolio mix
- Prudent capital structure management amid an uncertain macroeconomic backdrop, where 44% of loans are in local currency and 69% with more than two years maturity. In addition, 22% of USD loans are hedged
- Axiata Group and XL Axiata completed the acquisition and Mandatory Tender Offer of Link Net in Indonesia, paving the way for the convergence aspirations in Indonesia
- Despite inflation and currency depreciation in Sri Lanka, Dialog's revenue ex-device remained resilient (+26% YoY) following the implementation of Project Resilience to rationalise cost and localise the business
- EDOTCO's acquisition of towers in the Philippines and Indonesia to support the next phase of growth in these markets
- Boost and RHB consortium, with their combined expertise in fintech, banking services and risk management, secured the highly anticipated Digital Bank License issued by Bank Negara Malaysia
- Monetised increased demand for data and content following changed consumer consumption during 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 among businesses

## Connectivity & Interdependencies in Our Business Model

### Capitals



### Sustainability Pillars



### Material Matters

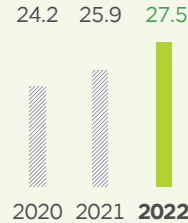
- Sustainable Business Growth

### Stakeholders

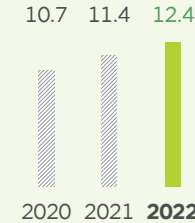


## How We Measure and Communicate Our Value

### Revenue (RM billion)



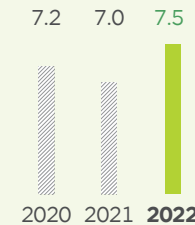
### EBITDA (RM billion)



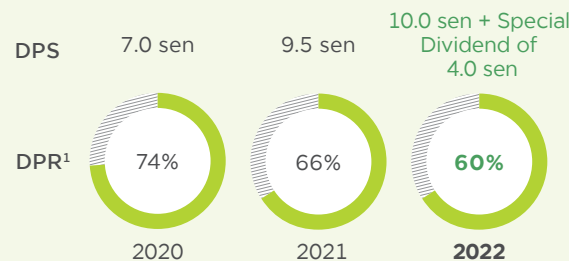
### Normalised PATAMI (RM billion)



### Cash Balance (RM billion)



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



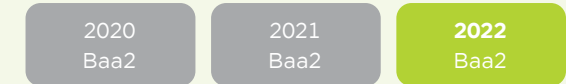
### Gross Debt/EBITDA Ratio



Note: <sup>1</sup> DPR - Dividend Payout Ratio excluding special dividend

### Credit Ratings

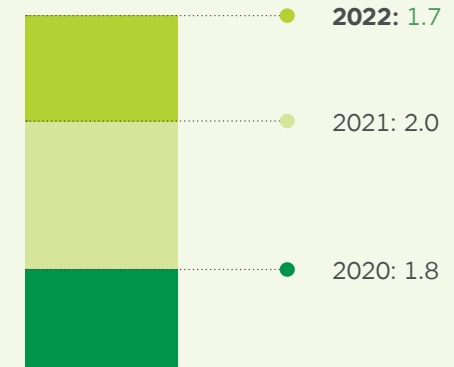
#### Moody's



#### 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 RM1.7 billion savings** in 2022 across capex and opex

2022 **Collective Brain savings of RM1.4 billion**

## 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

- Launched BEYOND to navigate organisations through business-disruptive uncertainties
- Conducted the artificial intelligence (AI) Summit to discover new trends and technologies
- Making significant investment in research and development and partners with leading telecommunications companies
- Conducted 3-episode AI training for all Axiata and OpCo CXOs in collaboration with Google, AWS and Microsoft with contents tailor-made for Axiata
- Developed Long Range Planning (LRP) Strategy 2022-2024 to strengthen the foundation of Axiata's Winning Culture
- Continued to reinforce Building Axiata's Winning Culture Framework throughout the organisation with immersion into the UI.EP corporate values
- Elevated priority on strengthening risk and compliance culture with Group Risk and Compliance taking the lead to champion the 'Uncompromising Integrity' aspect of UI.EP values
- Rolled out Data Citizen programme to all OpCos to develop fundamental knowledge on how to apply Data and Analytics
- Rolled out Virgin Pulse Go programme to promote physical wellness
- Scalability of AI Group-wide
- Advanced EP for employees through the Axiata FastForward (AFF) programmes
- Championing Diversity, Equity and Inclusion (DEI) at the workplace:
  - Became a member of Global TM Forum DEI Circle
  - Completed signatory of the UN Women's Empowerment Principles (WEP) Charter
  - Launched S/H.E<sup>1</sup>, a programme by WAMA<sup>2</sup> - in collaboration with LeadWomen Malaysia and UNITAR
  - Launched the inaugural Age-X programme to create meaningful intergenerational engagement on ideas, perspectives and skillsets

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Sustainability Pillars



#### Material Matters

- Customer Experience
- Digitisation & Innovation
- Fair, Diverse & Inclusive Employment
- Talent Development & Attraction
- Employee Health, Safety & Wellbeing

#### Stakeholders



### How We Measure and Communicate Our Value

#### Advancing as Next Generation Digital Champion

- **LEAP<sup>3</sup> Digital Maturity**
  - 3 out of 6 OpCos at 'Digital Leader' stage (highly mature)
  - 3 out of 6 OpCos at 'Driving Digital' stage
  - 52 unique digitisation initiatives
  - Maturity score improved by 4.23%
- **AI Maturity Index**
  - AI Maturity average for 5 OpCos (XL, Smart, Dialog, Robi and Ncell) improved by 20pp to 64.4% in 2022
  - All OpCos are well positioned to adopt AI Factory approach to implement AI@Scale to deliver impact
- **AI for Impact**

Throughout 2022, OpCos significantly enhanced their capabilities in the areas of Analytics and AI. In 2023, the primary focus will be on unlocking the value realisation of AI capabilities while creating measurable impact

#### ADL<sup>4</sup>

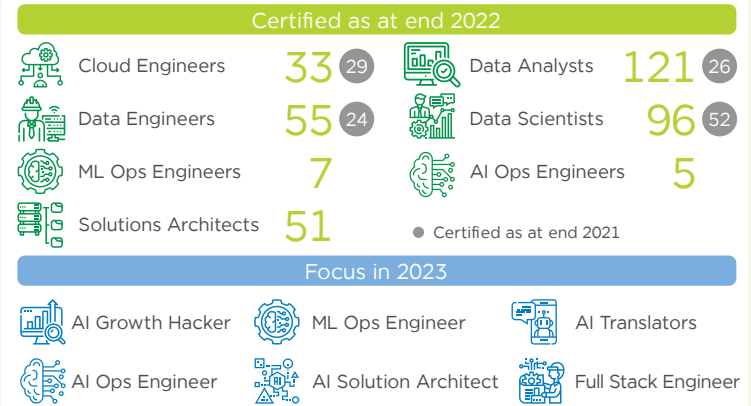
- Over 1,300 software engineering and technology consulting professionals with deep expertise in Agile development, full-stack web & mobile, DevOps, UI/UX, AI/ML and Cloud
- Received a total of 21 Open APIs conformance certifications at Platinum tier in the TM Forum
- Completed 167 digital projects using key products and solutions and managed service supports

#### Championing DEI

- Won UN WEP award for 'Community Engagement and Partnerships' Category

#### ACE<sup>5</sup>, AGA<sup>6</sup> & AFF - AI & Analytics Talents

Building on the 177 data professionals certified in 2021, we exceeded our 2022 target of 212 by certifying 368 data professionals. Our priority for 2023 is to focus on developing AI Ops and ML Ops skills which are essential skills to enable the AI Factory.



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

- Achieved a completion rate of 97.7% in Data Privacy & Cyber-aware Culture Training programmes among employees
- Appointment of Compliance Champions – 15 champions across the Group
- Vendor development programme on ABAC virtual training and assessment at 50% completion
- Group average Privacy Maturity Level of 3.1/5.0<sup>7</sup>

#### ADL's Achievement

- Axonect Hybrid Multi-Cloud Orchestrator wins the 2022 TM Forum Excellence Award in the Cloud native IT & Networks category
- ADL Robotic Process Automation team was Runner Up in SLASSCOM: Digital Genesis Reloaded Global IA Awards 2022

#### Health & Safety

Lost Time Injury Frequency Rate (LTIFR) (per million hours worked) across OpCos range from

2022  
**0 - 0.55**



Notes: <sup>1</sup> S/H.E = Sustainable. Human. Equitable

<sup>2</sup> WAMA = Women of Axiata and Male Allies

<sup>3</sup> LEAP = Learn, Engage, Accelerate and Perform programme to assess and accelerate OpCos' digitisation initiatives across all functions

<sup>4</sup> ADL = Axiata Digital Labs

<sup>5</sup> ACE = Analytics Certified Experts

<sup>6</sup> AGA = Axiata Group Analytics

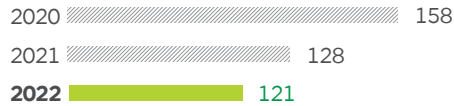
<sup>7</sup> This aggregate privacy maturity level is self-assessed, not verified by internal audit or any independent consultant. The data does not include Boost, ADA, ADL and Link Net

# OUTCOME 2: BUILDING A MODERN, AGILE AND DIGITAL ASIAN TALENT FACTORY

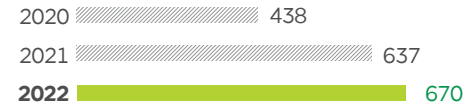
## How We Measure and Communicate Our Value

### Talent at Axiata<sup>8</sup>

#### Top Management



#### Middle Management

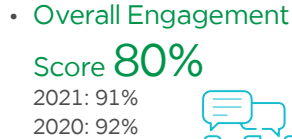
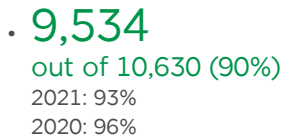


### External : Internal Hiring Ratio



### Group Employee Engagement Survey Result

#### Total Respondents



### Freedom for Collective Bargaining and Joining a Union

- **2** Digital Telcos have employee unions
- Unions represent **5.89%** of our employees

### Talent Development

**293,943** training hours<sup>9</sup> logged in 2022

#### Average training hours (by gender)



#### Average training hours (by employee category)

Senior Management: **8.4<sup>^9</sup>**  
 Middle Management: **35.6<sup>^9</sup>**  
 Executive: **31.1<sup>^9</sup>**  
 Non-executive: **19.0<sup>^9</sup>**



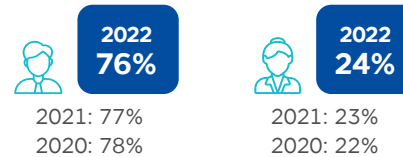
### Senior Leadership at Axiata<sup>10</sup>

#### Leadership Positions in 2022

- 35% filled internally
- Nationalities of our leadership - 53



#### Gender Diversity in Leadership<sup>11</sup>



#### Women in Leadership<sup>12</sup>

- **24%** leadership positions held by women in 2022
- **7 female** leadership appointments in 2022

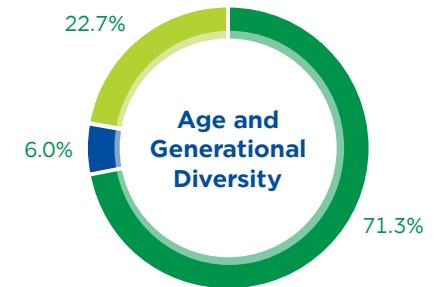
### Diverse Talent Base

#### Nationality

- **> 80 nationalities** employed across our OpCos

#### Gender Diversity

Male : Female employee ratio



<sup>^</sup> This data has been externally assured. Refer to independent limited assurance report in the SNCR 2022

Notes: <sup>8</sup> Includes Celcom as of 30 November 2022

<sup>9</sup> The data excludes Celcom and Digital Businesses

<sup>10</sup> Senior Leadership/ senior management comprises of CEO and CEO-1

<sup>11</sup> 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 and 2022 figures have been updated to include our digital businesses (Boost, ADA and ADL)

<sup>12</sup> Women in Senior Leadership Teams comprises of CEO and CEO-1 across Axiata Group

➔ **SNCR**, Fair, Diverse & Inclusive Employment and Business Ethics & Governance on pages 79 to 83 and 102 to 108

➔ **GAFS**, Building Digital Trust Through Data Privacy And Cyber Security on pages 44 to 47

## 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

- Implementation of ISMS<sup>1</sup> in ADL<sup>2</sup> Sri Lanka
- Implementation of MBSS<sup>3</sup> 2.0 to enhance security control level in Cambodia
- Ongoing digitisation of the core through Open Digital Architecture (ODA)
  - Created a programme to train and adopt 15 TM Forum Open APIs and ODA coverage increase in Digital Telco Enabler (DTE)
- Introduced Big Data Blueprint for OpCos to adopt state-of-the-art technologies to cater to business intelligence, data mining, advanced analytics and machine learning applications
- Delivered > 167 projects to support OpCos in digital stack revamping, digitisation, transformations and takeovers, automation, platform setups, data analytics and developing solutions
- Ongoing Network Transformation Programme with operations improvements, increased fibreisation over MW, facilitated 3G shutdown and VoLTE migration
- Awareness session 'An Ethical Winning Culture' was conducted Group-wide
- Establishment of the Corruption Risk Register Group-wide
- The 3-Year Privacy Programme achieved its final milestone at the end of 2022
- Strengthening customer trust and ensuring cyber resilience via Axiata's Cyber Security Strategy - Digital Trust and Resilience (DT&R) 2023
  - Launched and operationalised Axiata Cyber Fusion Centre (ACFC) to catalyse public-private partnerships and heighten cyber resilience
  - Adopted Zero Trust Framework to limit exposure from advanced threats & protect our critical assets
- Renewal of the Corruption-Free pledge, holding Axiata Integrity Month and establishing the Corruption Risk Register across the Group
- AI Factory blueprint and tech ML Ops pipeline implemented in XL, Dialog and Robi. ML pipeline automation is now operational
- Driving special projects powered by IT, includes the strategy and pilots on Metaverse

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Sustainability Pillars



#### Material Matters

- Network Quality & Connectivity
- Digitisation & Innovation
- Customer Experience
- Digital Inclusion
- Emergency & Disaster Response
- Community Development
- Digital Integrity
- Sustainable Supply Chain

#### Stakeholders

- 👤 Customers
- 👥 Shareholders, Investors & Analysts
- 🏛️ Regulators and Government
- 🤖 Suppliers & Business Partners

### How We Measure and Communicate Our Value

#### Total Number of Mobile Customers (million)



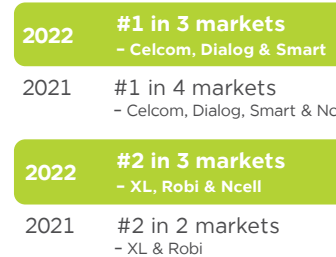
#### Digital Reputation Score



#### Brand Power Results



#### Net Promoter Score



#### ADA serving regional businesses

- Recognised as **Southeast Asia's only agency in Adweek's Fastest Growing Agency 2022 list**
- Awarded **87 industry awards and recognition in 2022**
- **Extended partnerships ecosystem** across Creative, eCommerce, messaging partners and enablers

#### Number of Clients

2022: **1,581**



2021: 1,902  
2020: 1,719

#### Group Digital Interaction Ratio<sup>6</sup> Improvement

2020: 13.4pp    2021: 16.1pp    **2022: 5.2pp**

#### Digital Transformation

- Leveraging IR 4.0 technologies across five core areas:
  - Products & Services
  - External Customer Interfaces
  - Internal Processes
  - Infrastructure & Platform
  - Organisation & Culture
- Focused on driving adoption of Microservices and API usage as well as developing platforms such as B2B<sup>7</sup> marketplaces and IoT platforms
- Continued to engage OpCos on Digitised Telco Model (DTM)

#### Enterprise

- **~ 193,000** enterprises across ASEAN and South Asia
- Year on year growth of **+19.7%** in 2022

#### IT Blueprint Transformation

- Published **> 6,000 APIs<sup>5</sup>** across regional footprint
- **Implemented > 50 new digitisation projects** using Automation or AI technologies

Notes: <sup>1</sup> ISMS = Information Security Management System  
<sup>2</sup> ADL = Axiata Digital Labs  
<sup>3</sup> MBSS = Minimum Baseline Security Standard  
<sup>4</sup> Including mobile subscribers from CelcomDigi  
<sup>5</sup> API = Application Programming Interface for building and integrating application software

<sup>6</sup> 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  
<sup>7</sup> B2B = Business-to-Business

## OUTCOME 3: BECOMING A TRUSTED AND RELIABLE DIGITAL PARTNER

### How We Measure and Communicate Our Value

#### Enhance Enterprise Solutions

##### Celcom

- Partnered with DHL Supply Chain to co-create digital logistic ecosystems in Malaysia
- Hosted Celcom Business Tech Week across Malaysia showcasing enterprise digital transformation solutions for IR 4.0 industry use cases
- Supported Langkawi Port, GPSINA and MPAJ with the launched of new IoT solutions - 5G AI Security & Surveillance, fleet management system and Smart City solutions

##### XL

- Continued to strengthen its presence in ICT market through the acquisition of Hypernet

##### Robi

- Expanded presence in new growth areas by building a diverse digital portfolio of enterprise ICT solutions to meet the new market demand
- Future-proofing business model through added focus on innovative enterprise business solutions, AI and Cloud solutions, digital entertainment platform, Binge, strengthening of appstore, bdapps and eCommerce marketplace, Robishop

##### Dialog

- Successfully delivered integrated solutions beyond the conventional connectivity and siloed ICT services
- ICT organisation transformation

##### Smart

- Launched Smart Fleet Management, a first-of-its-kind suite of digital tools powered CarTrack, that enables businesses to monitor and gain insights into fleet operation and driver behaviour
  - 3 large-size business partners participated in test and trial period at end 2022

##### Link Net

- Enhanced connectivity as digital transformation partner for corporate businesses/enterprises in industries including the stock exchange, broadcast and IoT solutions for industrial areas

#### Digitisation & Analytics as Enablers

##### Celcom

- Successfully implemented Phase 2 of Digital Stack Transformation enabling faster Go-To-Market and nimble operations
- All new improved customer analytics platforms through project Sentinel:
  - Deliver enhanced network analytics for 5G Non-standalone, PS, VoLTE and VoWiFi to improve customer experience
  - Optimised marketing analytics of customer segmentation and targeting with geo-location and real-time triggering
  - Strengthened data security, accuracy and protection and elimination of data leakage

##### Yoodo

- Achieved > 30% of new activation via eSIM
- Launched 'cash top-up' via digital barcode scan on the Yoodo app at 7-Eleven

##### XL

- Enabled Cloud environment and trend in Capital Market with IDX Stock Exchange members via Global Cloud Service Provider

##### Robi

- Received special awards through LEAP Analytics, LEAP Enterprise and the most impactful sustainability initiative for different digitisation and analytics interventions
- > 2,800 participants from 11 countries took part in the Datathon 2.0 competition
- Robi recognised as the Champion in AI Maturity 2022 by TM Forum

##### Dialog

- One of the leaders of AI Factory implementation in Axiata Group, which enabled faster productionisation and scaling of ML/AI use-cases
- Continued democratisation of data analytics access and capability building through 'Analytics at the Edge' programme initiated in 2020

##### Smart

- Utilised an open source called DataHub in Meta Data Management, for organising workflow through automatic execution, standardisation and data presentation
- Promoted Data Privacy awareness internally through the Smart Guardian Newsletter 2022, a joint initiative by Compliance and Risk, Cyber Security and Regulatory Affairs

##### Ncell

- Progress made in digital assets i.e. integrated dashboards, AI and ML use cases to real time decision-making
- Operationalisation of an organisation-wide data lake

#### Analytics Use Cases

- Repository of over 100 use cases covering all major organisational functions
- Top 10% use cases identified based on high impact
- Completed development and commercial deployment of 28 new use cases
- Learning of use case deployment actively shared as best practice among OpCos

#### Strengthened Data Privacy and Cyber Security

- 96.46% completion rate on cyber security training programmes Group-wide
- By end of 2022, Group-wide completion rate of 97.67% was achieved among employees who completed the Data Privacy training
- Group remains focused on sustaining its cyber security posture, while managing emerging cyber threats and risks, through the Digital Trust & Resilience strategy roll out
- Focus on research and automation to drive efficiencies as well as to ensure readiness to detect and respond to emerging cyber threats

#### ABAC Plan

- 98.9% completion rate on mandatory ABAC training Group-wide
- Rolled out VITAL system at Corporate Centre and across OpCos
- 23 Compliance Officers completed Compliance certification from the International Compliance Association
- 4 personnel completed the Certified Integrity Officer (CeIO) training programme with MACC

#### Digitised Customer Experience

##### Celcom

- Highest rated app - Celcom App versus peers with a rating of 4.7 on the Apple App Store and 4.1 on Google Play Store
- Recorded ~ 80,000 transactions and averaging > 500,000 visits per month on Celcom's e-store
- Provided dedicated customer support through social media channels with > 100k interactions
- App transaction value reached > RM1.8 billion, driven by > 3 million active users

##### Yoodo

- Revamped its app to improve overall digital experience and received strong ratings of 4.4 on Apple App Store and 4.6 on the Google Play Store

##### XL

- Established e2e billing experience on digital apps, improved and centralised omnichannel capability in customer care

##### Dialog

- MyDialog self-care app most downloaded app in Sri Lanka - > 8 million registered customers
- Launched the new Dialog Mega Wasana rewards scheme to all Dialog Mobile/HBB and DTV customers
- First OpCo to have reached Level 5 on Frost & Sullivan Digital Maturity in all 14 capability areas in 2021 and 2022
- Digital care reached 58% (YTD) compared to human and assisted channels, an 88% increase since 2015 based on 60% smartphone penetration

##### Robi

- 52% increase in customer interactions at Digital Customer Touchpoints
- 99%+ of total customer interactions are at Self-care Channels
- Digital Reputation Score has increased to 53.8% in 2022 compared to 42.9% in 2021
- 13.9 million active users on Self-care app (My Robi & My Airtel apps)

##### Smart

- Offer new features in Smart's Pleng App including music videos, podcasts, category searches, in-app stories and enhanced user interface
- SmartNas self-care mobile app that enables subscribers to access and control their account and purchase/activate e-SIM cards digitally within minutes without visiting Smart Shops

##### Ncell

- > 12.2 million downloads for Single Customer app
- Enhancement on chatbot UI/UX, loyalty programme and merchant portal development

##### Link Net

- Soft launched NADIA - a self-digital acquisition platform for self-subscription, from account registration up to installation schedule

## 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

- National-level collaboration to strengthen cyber security landscape:
  - Engaging with National CERT<sup>1</sup> for threat intelligence and best practices
  - Participated in cyber drills and Capture-The-Flag events organised by Bank Negara Malaysia
  - Continued collaboration with MDEC<sup>2</sup> for cyber capability and skill development
  - Hosting educational institutions at ACFC to promote cyber security skill development
- Championed female empowerment through AYTP<sup>3</sup> programmes and GSMA's Connected Women Initiative
- Provided humanitarian aid to communities in need in line with GSMA's Humanitarian Connectivity Charter
- Provided new initiatives - ADLP<sup>4</sup> for girls
- Continued supporting governments and communities in education, community and environment pillars
- Continued contributing to the community via EDOTCO's T2C<sup>5</sup>, T2P<sup>6</sup> and T2W<sup>7</sup> by providing electricity from renewable energy sites, clean water and humanitarian relief; EDOTCO Rangers programme enabled staff to give back to society

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Sustainability Pillars

- Advancing Digital Societies
- Advancing Green Economy
- Advancing Our People & Communities
- Driving Governance & Risk

#### Material Matters

- Network Quality & Connectivity
- Digital Inclusion
- Emergency & Disaster Response
- Community Development
- Business Ethics & Governance
- Regulatory & Political Risk
- Climate Change
- Environmental Management

#### Stakeholders

- Media
- Regulators and Government
- Community & Civil Society Organisations
- Suppliers & Business Partners

### How We Measure and Communicate Our Value

#### Total GDP Contribution (USD billion)



#### Number of Jobs Supported Across the Region (million)



#### Total Taxes and Fees Paid (USD billion)



#### EDOTCO Social Community Investment Impact

**2022**  
**14,537** lives  
 in Malaysia, Sri Lanka, Cambodia, Bangladesh, Pakistan and Myanmar

**2021**  
 > 11,000 families in Malaysia, Sri Lanka, Bangladesh and Pakistan

**2020**  
 > 7,800 families in Malaysia, Sri Lanka, Bangladesh, Cambodia and Myanmar

#### Contributing to Advancing National Digital & QoS Policies

##### Celcom

- Completed JENDELA Phase 1 with targets met
- Roll out 5G sites in accordance with national 5G roll out plan
- > 4,000 5G sites onboarded in major cities across Malaysia
- 5G services commercially available to customers in November 2022 onwards
- Added > 800 km of fibre achieving close to 40% sites fiberisation
- 100% compliant in Mandatory Standard Quality of Service (MSQoS) sets by MCMC
- Participated in National's 5G equity shareholding

##### Dialog

- Collaborated with BAKTI to optimise the USO scheme
- > 70 5G sites available in 23 cities, utilising DSS technology in 2.1 GHz
- During Sri Lanka's economic crisis, the fuel crisis became one of the country's most critical issues, causing vital sectors to come to a standstill. The National Fuel Pass solution, developed and implemented by Dialog, MillenniumIT ESP and ICTA<sup>9</sup>, under the Ministry of Power and Energy's guidance, resolved the fuel crisis and contributed to significant national savings
- Extended uninterrupted connectivity during the power crisis
- Mobile network expanded by 486 new sites, totalling 4,723 sites in 2022
- Supported TRCSL's<sup>10</sup> Gamata Sanniwedanaya Project and initiated 25 new sites
- Deployed 328 lamp poles and macro towers along railway tracks island-wide
- Launched 5G SA Trial Network, first in South Asia

##### Robi

- 5,000 app developers across Bangladesh participated in the National Hackathon 2022 organised by bdapps in collaboration with Government's ICT Division

- Formed Bangladesh Safe Internet Forum as public advocacy platform to raise public awareness

##### Smart

- Improved 4G LTE network coverage with 3,370 base stations in 25 out of 25 provinces across the Kingdom
- Annually, 2% of the company's revenue goes to the Universal Service Obligatory Fund and 1% to the Ministry of Post and Telecommunications' Capacity Building, Research and Development Fund to improve infrastructure and support digital literacy programmes for young Cambodians
- Smart was the first and currently only mobile operator in Cambodia to provide WiFi calling services

##### Ncell

- Increment of 4G coverage to 88.3%
- Partnered with NTA<sup>11</sup> and NT<sup>12</sup> on public awareness campaigns

##### Boost

- Successfully awarded the Digital Bank license
- Soft launched Boost PayLater to assist users in their planning and budgeting for purchases

##### EDOTCO

- Strategic partnership with DNB<sup>13</sup> by delivering 1,200 tenancies
- Continued site delivery under JENDELA:
  - Malaysia: Partnered with GoTo-U and launched EV charging at Laman EDOTCO parking
  - Bangladesh: Provided infra service to MNO and partnered with Fiber@Home for fiberizing the sites
  - Sri Lanka: Strategic partnership with local councils for securing multi-purpose pole locations
  - Cambodia: Collaborated with TRC to build and secure multi-purpose pole locations

Notes: <sup>1</sup> CERT = Computer Emergency Response Team  
<sup>2</sup> MDEC = Malaysian Digital Economy Corporation  
<sup>3</sup> AYTP = Axiata Young Talent Programme  
<sup>4</sup> ADLP = Axiata Digital Leaders Programme  
<sup>5</sup> T2C = Tower to Community  
<sup>6</sup> T2P = Tower to Power

<sup>7</sup> T2W = Tower 2 Water  
<sup>8</sup> Measurement of economic impact and value creation in the markets and communities served by Digital Telcos and Infrastructure  
<sup>9</sup> ICTA = Information and Communication Technology Agency

<sup>10</sup> TRCSL = Telecommunications Regulatory Commission of Sri Lanka  
<sup>11</sup> NTA = Nepal Telecommunications Authority  
<sup>12</sup> NT = Nepal Telecom  
<sup>13</sup> DNB = Digital Nasional Berhad

## OUTCOME 4: SUPPORTING GOVERNMENTS AND COMMUNITIES IN OUR MARKETS

### How We Measure and Communicate Our Value

#### Empowering Women

##### Celcom

- In collaboration with Axiata Foundation, reached out to > 2,600 female students from MRSM<sup>14</sup> nationwide on Digital Etiquette and Literacy
- In collaboration with Axiata Foundation, reached out to > 80 female undergraduates to develop digital talent for job opportunities in ICT
- Digital Entrepreneurship programmes such as Arena Usahawan Siswa, SiswaCommerce, SiswaMall, Google Bootcamp, BeBoZz, Digitalpreneur, Rickworks and Program Pendigitalan Usahawan benefited > 5,000 women entrepreneurs

##### XL

- Empowering > 200,000 women's MSMEs via Sisternet
- Actively participates in G20 and W20 Indonesia events

##### Dialog

- 43% of Nenas Educational App users are female
- Yeheli Thozi - > 120,000 active users
- Ideamart for Women - > 4,500 individual engagements and 15.6% revenue contribution from female-led Ideamart businesses
- Organised Diriyen Idiriyata Women's Day workshop

##### Robi

- Collaborated with Women and eCommerce Trust to enhance their technological soft skills - 450 women entrepreneur
- She Squad Programme - increased female participation by 133%
- > 7,000 female app developers on bdapps, comprising 23%, higher than national average of 16%
- Robi's Ichchedana, the first of its kind comprehensive service pack for the women in Bangladesh, is serving around 0.5 million users. All the features included in this service are centred around women's safety and privacy

##### Ncell

- Collaborated with the Zonta Club for providing literacy classes to 200 women from Sarlali, Chitwan and Rupandehi
- Collaborated with Kantipur Media Group, Living with ICT media and UNDP to promote DEI<sup>15</sup> framework

#### EDOTCO Rangers Highlights

~ 5,900 lives provided electricity to homes, schools and clinics from EDOTCO's sites in Malaysia, Bangladesh and Pakistan (T2P)

~ 3,700 lives provided clean water via Reverse Osmosis (RO) and hand pump systems for the community and WASH (water sanitation and hygiene) awareness programme in Malaysia and Cambodia (T2W)

~ 5,000 lives provided disaster relief according to local needs in Malaysia, Bangladesh, Pakistan, Sri Lanka, Cambodia and Myanmar as well as Wakalah Zakat in Malaysia (T2C)

#### CSR Programmes

##### Celcom

- 8 Digital Entrepreneurship programmes benefited > 8,000 entrepreneurs
- 13 Equity in Education programmes benefited > 21,000 students nationwide
- 5 Community Relief programmes benefited > 11,000 recipients from B40/lower income community

##### Dialog

- Dialog Foundation launched Karuna.lk, Sri Lanka's first crowdfunding platform with verified and trusted non-profits, organisations and causes
- In commemoration of World Hearing Day, the Ratmalana Audiology Centre (RAC), supported by Dialog for 15 years, conducted a free hearing tests for the public
- Powered 'Aya', a National-level empowerment and development initiative conducted in celebration of International Women's Day

##### Robi

- Provided iftar to 6,000 underprivileged children outside of Dhaka

##### Smart

- Partnered with World Vision to develop Dynamic Life Skills and deliver Community Service-Learning projects - impacted > 9,000 adolescent and youth
- Partnered with UNESCO to provide Basic Education Equivalency Programme for youths who had left school to work to continue with their education - 420 students

##### Ncell

- Distributed > 200 cycles to needy female students from government schools
- Equipped 4 outreach centres of DH<sup>16</sup> with telemedicine kit and started Personalised Health Programme under the Telemedicine and Health Informatics Programme to serve remote and underserved communities through quality healthcare services, using technology and data-driven healthcare methods
- Awarded 18 Ncell Scholarships to the top students and 6 students received Ncell Excellence Awards

##### Link Net

- Supported education and marginalised communities through donations to social organisations like IBEKA, Sokola Institute and Menembus Batas Foundation

#### 2022 Contributions to Humanitarian Connectivity Charter



- Provided 6 boats and 1 4-wheel drive vehicle to Malaysian Relief Agency
- Flood relief assistance to > 4,000 recipients in terms of food packs/hot meals, post-flood clean up by Celcom's volunteers and mobile clinic in collaboration with Malaysian Relief Agency
- > 2 million early warning SMS alerts sent in collaboration with the National Disaster Management Agency (NADMA)



- Donated essential Oxygen Concentrators to the Ministry of Health (MOH) to distribute to 12 hospitals across Sri Lanka
- Launched the Manudam Mehewara to support > 119,000 vulnerable families and communities across the country with emergency aid amid the ongoing economic crisis



- Provided 5,000 face masks to Shakti Foundation's members and staff
- Distributed emergency flood relief in Sunamganj district



- Supported the Ministry of Health and Population and UNDP in driving the nationwide vaccination campaign against COVID-19 via SMS and digital platforms
- Provided 500 SIM cards to DHM<sup>17</sup> for telemetry data transfer of flood water level/ weather for implementation of Flood Early Warning System



- Implemented water meter sensor for flood Early Warning System to improve disaster preparedness
- Rolled out Hospitality Discount Scheme specially for customers during COVID-19 pandemic



- Provided aid to > 4,000 lives in Malaysia, Bangladesh, Sri Lanka, Pakistan that are affected by disaster (flood, winter storm & COVID-19)

Note: <sup>14</sup> MRSM = Maktab Rendah Sains MARA  
<sup>15</sup> DEI = Diversity, Equity and Inclusion

<sup>16</sup> DH = Dhulikhel Hospital

<sup>17</sup> DHM = Department of Hydrology and Meteorology

## 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

- Axiata Foundation fostered digital skills in Malaysian youths through the Axiata Young Talent Programme, Axiata Digital Leaders Programme and Axiata Equity-in-Education Fund programmes
- Supported digital economy development by funding start-ups and ventures through ADIF<sup>1</sup> in Malaysia, SADIF<sup>2</sup> in Cambodia, DADIF<sup>3</sup> in Sri Lanka and r-ventures<sup>4</sup> in Bangladesh
- Enabling digital literacy among youth, with Smart collaborating with the Ministry of Education for digital literacy workshops and promoting technical and entrepreneurial skills through STEM under the Techno Innovation Challenge; and Celcom conducting the Celcom Young Digital Innovators Programme to equip youth with digital skills for IR4.0 demands
- Full spectrum fintech arm, Boost secured a digital bank license to enable financial inclusion for underserved segments
- Robi's bdapps empowered youth by organising National Hackathon 2022 in collaboration with Government's ICT Division
- Promoted responsible and inclusive digital use with Smart's collaboration with APLE Cambodia on the safe use of digital technology for children
- XL empowering Indonesian women-led MSMEs to leverage digitalisation through its support of Sisternet

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Material Matters

- Sustainable Business Growth
- Network Quality & Connectivity
- Digital Inclusion
- Digitisation & Innovation
- Customer Experience
- Emergency & Disaster Response
- Community Development
- Digital Integrity

#### Sustainability Pillars

- Advancing Digital Societies
- Advancing Green Economy
- Driving Governance & Risk

#### Stakeholders

- Customers
- Media
- Regulators and Government
- Shareholders, Investors & Analysts
- Community & Civil Society Organisations
- Suppliers & Business Partners
- Employees, Management & Board

### How We Measure and Communicate Our Value

#### Developing the Regional Digital Ecosystem

##### ADIF Funding for Digital Start-Ups<sup>5</sup> (Malaysia)

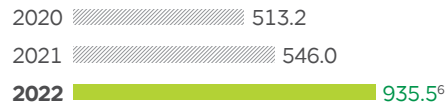
- Invested RM63.2 million between 2014 - 2022
- 53% of the companies are Bumiputera
- 12 investee companies recorded an average YoY growth of 12.8% in 2022
- Created 2,047 jobs and helped 1.5 million SMEs
- 25% of the companies are led by women

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



Invested in 9 companies

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



Invested in 10 companies

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



Invested in 13 companies

#### Contributing to Digital & Online Education



- Bantuan Peranti Prihatin - benefitted > 30 schools and > 1,500 students through the distribution of refurbished laptops, new tablets and smartphones
- CYDIP - empowering > 10,000 students and teachers to develop digital skills and knowledge
- Unified Digital Library - benefitted > 3,000 students to cultivate digital reading culture among young Malaysians
- Promoted cyber and internet security awareness to > 3,000 students to cultivate a positive culture on the use of internet
- ~ 2,000 students participated in Young Educators Challenge, Pandai Learning Ecosystem and TCS Sustainathon



- Data quota contributed by XL Axiata customers enabled more than 2,400 students to access education across Indonesia
- Pesantren Digital on YouTube content planning, execution and on-air - 147 students participated in the training



- Nenasa App - > 35,000 active registered users on Nenasa Educational App, a multi-platform aggregator of educational and edutainment content
- Nenadiri initiative - > 103,400 students from 470 schools were given Data scholarships at a cost of ~ LKR124 million



- Launched bdapps Campus Ambassador Programme in 120+ institutions
- Partnered with Save the Children International for Mobile Training Centre under the EYE<sup>8</sup> programme



- > 6,100 students attended an organised STEM fair
- Sipar Mobile Library Programme - > 5,000 beneficiaries
- SmartEdu University Student Development Programme benefitted > 48 university students



- Installation of modern digital computer labs in 60 government schools in rural Nepal in collaboration with the Ministry of Communication and Information Technology and Nepal Telecommunications Authority, serving 30,000 students and trained > 150 teachers to use the lab and manage minor technical problems



- Donated 2,990 Chromebooks to 201 schools, impacting 15,450 students
- Free internet via #BerbagiTanpaBatas for 250 students

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

<sup>1</sup> ADIF = Axiata Digital Innovation Fund

<sup>2</sup> SADIF = Smart Axiata Digital Innovation Fund

<sup>3</sup> DADIF = Dialog Axiata Digital Innovation Fund

<sup>4</sup> r-ventures = Robi Ventures

<sup>5</sup> 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

<sup>6</sup> Total fund allocation for DADIF worth SLR1,567.5 million to be disbursed by phase

<sup>7</sup> CYDIP = Celcom Young Digital Innovators Programme

<sup>8</sup> EYE = Education for Youth Empowerment



## OUTCOME 5: ENABLING DIGITALLY-CONNECTED SOCIETIES

### How We Measure and Communicate Our Value

#### Bridging the Digital Divide

##### Celcom

- ~ 8,500 participants/ students/ entrepreneurs trained in Digital Entrepreneurship programmes through Digitalpreneur, BeBoZz, Program Pendigitalan Usahawan Desamall, Richworks, Google Bootcamp, SiswaCommerce, SiswaMall and Arena Usahawan Siswa
- ~ 20,000 participants/ students trained in Digital Education programmes through Axiata Digital Leadership Programme, Bantuan Peranti Prihatin, CYDIP, CyberSAFE, Google Gemilang, Pandai Learning Ecosystem, TCS Sustainathon, Unified Digital Library and Young Educators Challenge

##### XL

- Laut Nusantara improving livelihoods of fishermen - > 57,500 active users

##### Dialog

- Saru - IoT kit for smallholder to enhance crop quality through automated farming in collaboration with University of Moratuwa and University of Ruhuna - > 20 users on this pilot project
- Improved connectivity to > 1,000 villages & deep rural communities via Sew Desatama Dialog
- Diriya.lk - a free, trilingual online knowledge portal for Sri Lankan entrepreneurs to reduce knowledge gap
- Govi Mithuru improving livelihoods of small holder farmers - > 850,000 app users, > 30 different crops advisory information

##### Robi

- National App Store bdapps empowering digital entrepreneurs - > 70,000 apps and > 48,000 developers earning - BDT680 million in 2022
- Conducted bdapps National Hackathon - a nationwide app competition for young app developers which resulted in > 2,000 submissions from > 5,000 youths

##### Smart

- SmartStart UniPreneur Learning Platform - benefited > 611 students to develop technical capabilities in entrepreneurship
- Cambodia Digital Awards - the Kingdom's biggest ICT awards to highlight and celebrate local talents with approximately 172 institutions competing
- Digital Literacy Workshop - with Ministry of Education, Youth and Sports - to encourage the development of the younger generation's digital literacy with the aim of helping Cambodia create an inclusive digital society and economy and become digital citizen that will benefit everyone. 1,080 students from 3 provinces from 10th - 12th have benefited from it
- Smart has been a proud supporter of Safer Internet Day to promote the safe and positive use of digital technology for children and young people and to inspire a national conversation about using technology responsibly, respectfully, critically and creatively. SmartStart YIP aimed at enabling and empowering young Cambodian talents to develop their innovative tech and digital ideas with Smart. The goal is to help turn the best concepts into actual tech enterprises. 598 students benefited from it
- KIDKATHON has provided the opportunity to collaborate, think critically, perform under pressure and be aware of the world's existing problems and serves as a platform for kids to express their passion through technology, innovation and establishing a debugging mindset. There were 108 beneficiaries

##### Link Net

- Expand network coverage to reach out additional > 240,000 home passed

#### Developing the eSports ecosystem

##### Yodo

- Collaborated with The Pokémon Company to organise the first Malaysia Pokémon UNITE tournament
- Partnered with ASUS Republic of Gamers (ROG) for Mobile Legends: Bang Bang (MLBB) Amateur League
- Strengthened partnerships with international and regional eSport organisations to form Yodo Alliance (PUBG Mobile) and Yodo RSG (Mobile Legends: Bang Bang)

##### Dialog

- Dialog partnered SLESA<sup>9</sup> as Sri Lanka's Official National Team Sponsor and sponsored 7 major National eSports titles to represent Sri Lanka at world tournaments
- Sponsored largest eSports tournament in Sri Lanka - 'DIALOG-SLESA All-island Free Fire Championship'
- Sri Lanka's eSport champions were honoured at the Dialog-SLESA National Esports Awards Ceremony and the national team was given National Colours

##### Robi

- 321,526 gamers participated in Axiata Game Hero competition from Bangladesh
- Robi's gaming user base reached 9.5 million

##### Smart

- Collaborated with Cambodian-born developers to bring six seasonal mobile games to SmartNas
- Organised first ever international eSports competition in Cambodia with the largest accumulated prize - Smart Kingdom of Legends - SEA rivals
- Continued to support Cambodia's National Games for the third consecutive time as main sponsor

#### Driving Financial Inclusion



2022  
10.4

All-in-one Fintech App Consumers in Malaysia (million)  
2020: 8.8  
2021: 9.7



2022  
> 550,000

Merchant Touchpoints in Malaysia  
2020: > 300,000  
2021: > 439,000



2022  
> 100

Cross-border Payment Platform's Digital Partners  
2020: > 100  
2021: > 100



2022  
> 2.5

Total Loans Disbursed in Malaysia & Indonesia since inception (RM billion)  
2020: > 0.2  
2021: > 0.9



2022  
> 4

Boost PayLater Disbursed (RM million)



2022  
2.7

eZ Cash Registered Users (million)  
2020: > 4.0  
2021: > 4.3

Note: <sup>9</sup> SLESA = Sri Lanka Esports Association

## 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 energy efficiency initiatives and renewable energy sources

### Activities and Processes to Create Value

- Introduced the Board Sustainability Committee to entrench our commitment at the highest levels to deliver strong ESG performance
- Commenced adoption of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to prepare our business to mitigate negative climate impacts and unlock opportunities
- Accelerate the decarbonisation at network operations, transform value chain and deliver an inclusive climate agenda Group-wide via the Net-Zero Carbon Roadmap
- Sustainability-related key performance indicators (KPIs), including our net-zero commitment, are included in the GCEO as well as OpCo Senior Leadership Teams' (SLTs) annual remuneration-linked KPIs
- Converting BTS sites to renewable energy sources across the Group
- EDOTCO's initiatives:
  - Initiated Greenhouse Gas (GHG) inventory for Scope 1, Scope 2 and Scope 3 to manage EDOTCO's overall carbon footprint
  - Developing a 2030 carbon neutrality roadmap based on GHG inventory results
  - Set up CoDE<sup>1</sup> in Bangladesh for all NTCs as a hub of innovation and improvisation. CoDE had designed and implemented > 2,500 towers including new designs below, which has saved materials used and cost:
    - > 15 tubular towers
    - > SPC street furniture POC<sup>2</sup>
    - > 12 tower design for new wind zone
    - > 27 new foundation designs
    - > 11 tower designs for Indonesia
    - > 4 towers for JENDELA & MCMC
  - Rolled out e.go, mobile apps for vendors to digitise the E2E process
  - Working towards Green Building Certification (GBI) for EDOTCO New Corporate HQ Office
  - Finalised Just Nice Tower designs in Malaysia
  - Launched Green Framework & Supplier Code of Conduct to help vendors to reduce, reuse and recycle solid waste generation
  - Developed the Environmental Policy Statement to conduct responsible and sustainable business activities
  - 85% implementation of Green Office initiatives across all NTCs<sup>3</sup> in 2022
  - Launched 2R Recycling & Reforestation programme, 1,117 kg of used oil collected and planted additional 3,400 trees in 2022
  - Tree planting programme across the footprint bringing total number of trees > 42,000

### Connectivity & Interdependencies in Our Business Model

#### Capitals



#### Sustainability Pillars

- Advancing Green Economy
- Driving Governance & Risk

#### Material Matters

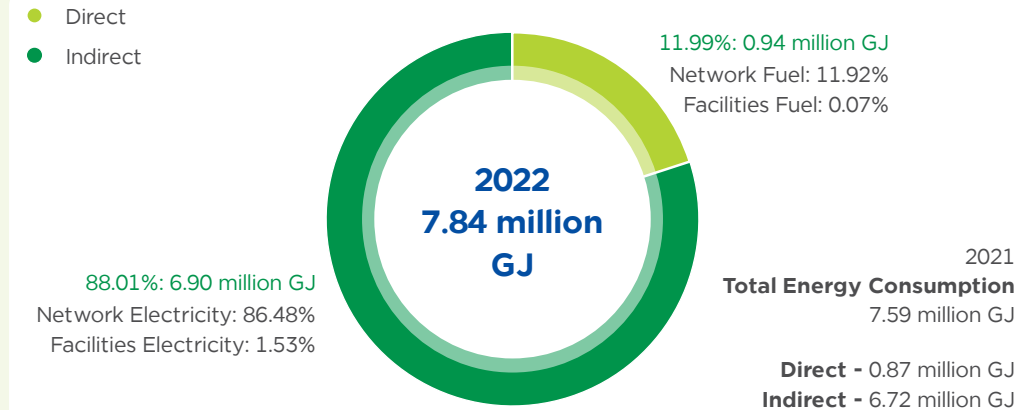
- Climate Change
- Environmental Management

#### Stakeholders

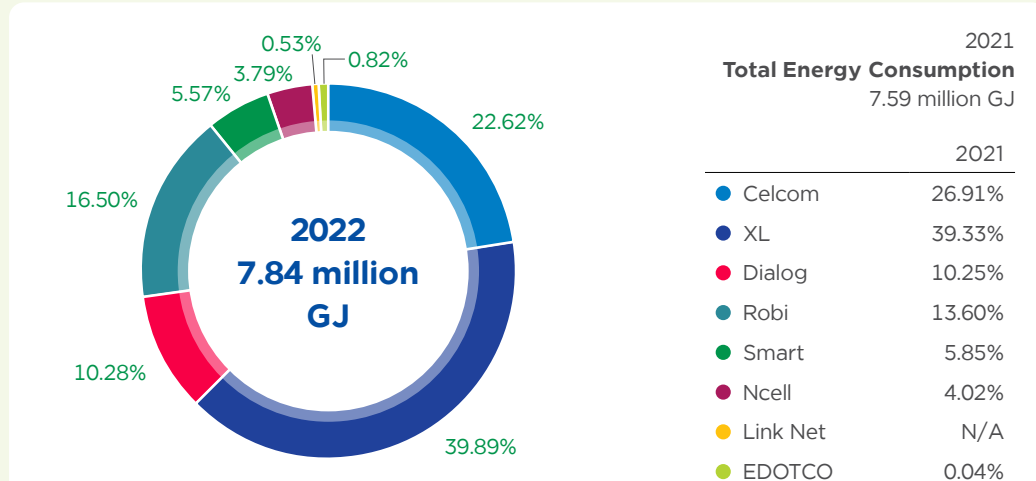
- Regulators and Government
- Industry Bodies

### How We Measure and Communicate Our Value

#### Group-wide Total Energy Consumption



#### Group-wide Total Energy Consumption by OpCos



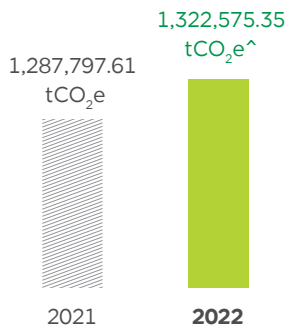
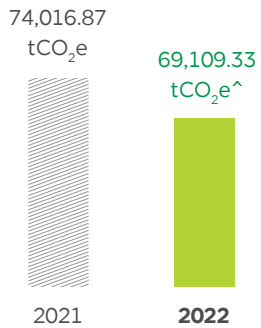
Notes: <sup>1</sup> CoDE = Centre of Design Excellence  
<sup>2</sup> POC = Proof of Concept  
<sup>3</sup> NTCs = National Tower Companies

# OUTCOME 6: MINIMISING ENVIRONMENTAL IMPACT

## How We Measure and Communicate Our Value

### Group Carbon Emissions

**Total 2022<sup>4</sup>: 1,391,684.68 tCO<sub>2</sub>e<sup>^</sup>**  
 Total 2021: 1,361,814.48 tCO<sub>2</sub>e



### OpCo Environmental Programmes



- > 1,000 employees completed the e-learning on Net-Zero Transition
- Continue to support Axiata's commitment to achieve net-zero emissions by 2050 and to reduce operational carbon emissions by 45% from a baseline 2020
- Our green technology initiatives in 2022 includes:
  - Converted 24/7 running genset (406 sites) to commercial power supply (30 sites)
  - Introduced new technology hybrid solar at 30 sites, which uses multiple energy sources from solar, battery and gensets
  - Installed Advanced Metering Infrastructure (AMI) at 226 sites



- Switching from copper cables to environmental-friendly fibre optic cables
- PLNsatation; changing the use of diesel generators into PLN electricity, reducing diesel consumption
- Modernisation and outdoorisation on BTS RAN devices to shelter-less



- Deployed 168 new solar sites with a total capacity of 724.74 kW. Out of this, 4 were full solar sites and 1 full solar lamp pole
- Solar implementation plan for 2023 includes 809 new solar sites with a total capacity of 4,671.74 kW
- eKunu - Placed in a total of 28 experience centres around the island for e-waste collection
- Waste collection:
  - 706.2 tonnes of e-waste
  - 5.9 tonnes of waste paper recycled



- Reuse, reduce, recycle 308 tonnes of e-Waste of technology, IT and Admin equipment
- Deployed solar solutions across 2,146 sites (around 14% of total sites), with 10.6 MW capacity
- 11,947 MWh of green energy produced from fostering an environment-friendly workplace



- Deployed solar panels at 242 sites, 7% increase as compared to 2021
- Participated in Cambodia Energy Efficiency Initiative organised by Sevea to reduce energy consumption in Smart's office
- Innovated the Digital Control Stock to reduce papers and plastics
- Rolled out single-use plastic reduction programme
- Greatly improve power and cooling redundancy in Smart data centres



- Planted 550 trees during World Environment Day in collaboration with Wildlife Conservation Nepal, and a cycle rally organised jointly with Cycle City Network Nepal, UNDP and the Department of Environment to raise awareness on environment conservation and protection
- Continued maintaining the greenery in 10.2 km Koteshwor-Kalanki stretch of Ringroad, promoting clean, green and healthy city



- Number of trees planted



- Sustainable Waste Management<sup>7</sup>



<sup>^</sup> This data has been externally assured. Refer to independent limited assurance report in the SNCR 2022

Notes: <sup>4</sup> Overall Scope 1 and 2 emissions from baseline year 2020 and 2021 have been updated to reflect the latest emission for Malaysia and Nepal.

The data above covers Digital Telcos and Infrastructure only

<sup>5</sup> Direct GHG emissions from sources that are owned or controlled by the Group

<sup>6</sup> Indirect GHG emissions resulting from the generation of electricity, heating and cooling or steam purchased by the Group

<sup>7</sup> There was no mobile waste recycling programme conducted in year 2022

## CREATING AN ECOSYSTEM FOR DIGITAL INNOVATION

Offering an open platform for app developers to create and distribute their apps for the benefit of all mobile users without cost

**BDAPPS,  
ROBI**

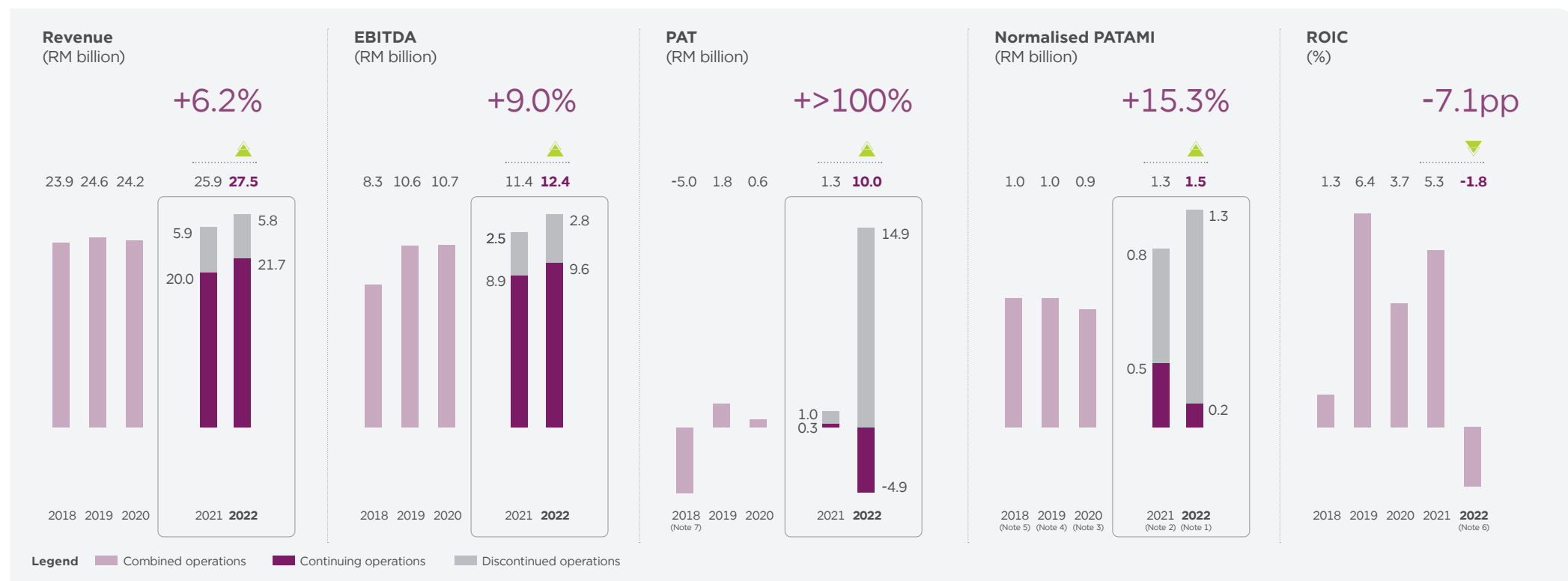


**FINANCIAL  
RESILIENCE**

## FINANCIAL REVIEW

### FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

For 2021 and 2022, Revenue, EBITDA, PAT and Normalised PATAMI below are presented as continuing and discontinued operations as well as on combined basis post completion of the Celcom-Digi merger.



#### Notes:

Note 1 2022 normalised PATAMI excludes one-off net gain on disposal of Celcom Group<sup>1</sup> (RM13,530.1 million), goodwill impairment (RM4,141.2 million), one-off regulatory fees and penalties (RM127.9 million), purchase price allocation amortisation (RM160.6 million) and foreign exchange losses and derivatives (RM830.1 million).

Note 2 2021 normalised PATAMI excludes goodwill impairment (RM338.4 million), gain on disposal of towers (RM79.8 million), purchase price allocation amortisation (RM111.8 million) and foreign exchange losses and derivatives (RM116.5 million).

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

Note 4 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 allocation amortisation (RM121.8 million).

Note 5 2018 normalised PATAMI excludes Idea 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 loss and derivatives (RM208.9 million), gain on disposal of towers (RM80.5 million) and purchase price allocation amortisation (RM236.3 million).

Note 6 2022 normalised ROIC is 6.0% after excluding goodwill impairment at Earnings Before Interest and Tax (EBIT) (RM4,152.8 million).

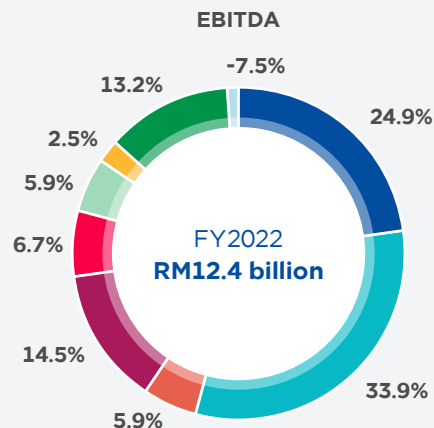
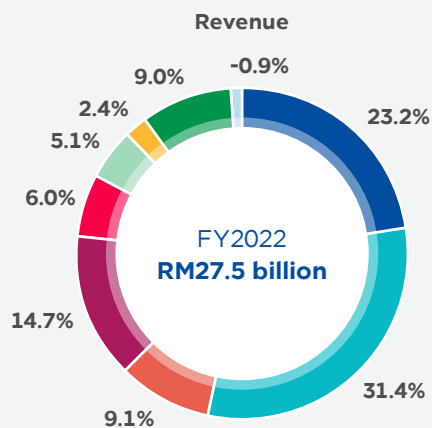
Note 7 2018 is based on restated financials.

Note 8 From FY2019 onwards, based on post MFRS 16 "Leases".

<sup>1</sup> Celcom Group refers to Celcom Berhad (Celcom) [formerly known as Celcom Axiata Berhad] and its subsidiaries

## FINANCIAL REVIEW

### SUMMARY BREAKDOWN OF REVENUE AND EBITDA

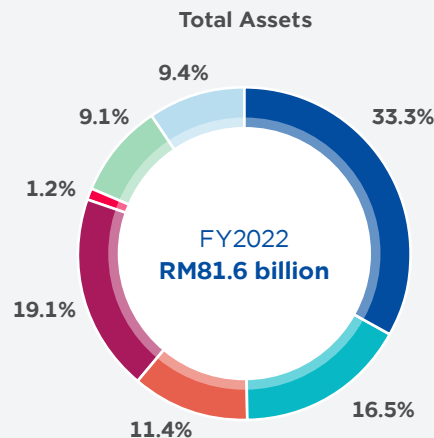


Entity	FY2022	FY2021
Celcom	23.2%	25.6%
XL Axiata	31.4%	30.0%
Dialog	9.1%	11.4%
Robi	14.7%	15.3%
Smart	6.0%	5.6%
Ncell	5.1%	5.6%
Link Net	2.4%	0.0%
EDOTCO	9.0%	7.6%
Others*	-0.9%	-1.1%

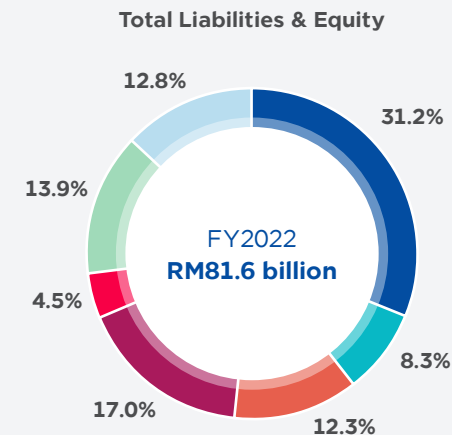
Entity	FY2022	FY2021
Celcom	24.9%	24.8%
XL Axiata	33.9%	34.1%
Dialog	5.9%	10.7%
Robi	14.5%	14.0%
Smart	6.7%	6.8%
Ncell	5.9%	7.4%
Link Net	2.5%	0.0%
EDOTCO	13.2%	10.9%
Others*	-7.5%	-8.7%

### SUMMARY BREAKDOWN OF TOTAL ASSETS AND TOTAL LIABILITIES & EQUITY

For 2022, total asset and liabilities & equity below are balances post completion of the Celcom-Digi merger.



Category	FY2022	FY2021
Property, plant and equipment	33.3%	37.2%
Intangible assets	16.5%	29.9%
Right-of-use assets	11.4%	12.4%
Investment in associates	19.1%	0.4%
Other assets	1.2%	1.8%
Deposits, cash and bank balances	9.1%	9.6%
Trade and other receivables	9.4%	8.7%



Category	FY2022	FY2021
Borrowings	31.2%	26.3%
Non-controlling interests	8.3%	9.7%
Reserves	12.3%	5.7%
Share capital	17.0%	19.2%
Other liabilities	4.5%	4.9%
Trade and other payables	13.9%	20.2%
Lease liabilities	12.8%	14.0%

\* Others includes Axiata Digital Analytics (ADA), Boost Holdings Sdn Bhd (Boost), investment holding entities, special purpose vehicle entities (SPV) and consolidation adjustments

## FINANCIAL REVIEW

## All in RM Million unless stated otherwise

	FY2022 <sup>7</sup>	FY2021 <sup>7</sup>	FY2020	FY2019 <sup>2</sup>	FY2018 <sup>2</sup>
1. Revenue	27,496	25,901	24,203	24,583	23,886
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	12,434	11,404	10,657	10,619	8,334
3. Earnings from Associates and Joint Ventures	(51)	4	19	(3)	(428)
4. Profit Before Tax (PBT)	11,114	2,174	1,171	2,780	(4,073)
5. Profit After Tax (PAT)	10,019	1,277	624	1,815	(4,975)
6. Profit After Tax and Minority Interests (PATAMI)	9,751	819	365	1,458	(4,762)
7. Normalised PATAMI <sup>1</sup>	1,529	1,326	865	960	1,010
8. Total Shareholders' Equity	23,935	18,005	17,641	16,181	17,477
9. Total Equity	30,680	25,066	23,879	22,220	23,215
10. Total Assets	81,641	72,550	67,962	66,534	63,855
11. Total Borrowings (exclude lease liabilities)	25,436	19,050	17,745	16,826	19,130
12. Total Lease Liabilities	10,444	10,171	9,629	8,840	N/A
13. Customers (million)	174	163	157	153	149
<b>Growth Rates YoY</b>					
1. Revenue	6.2%	7.0%	-1.5%	2.9%	-2.1%
2. EBITDA	9.0%	7.0%	0.4%	27.4%	-9.7%
3. Total Shareholders' Equity	32.9%	2.1%	9.0%	-7.4%	-29.3%
4. Total Assets	12.5%	6.8%	2.1%	4.2%	-8.7%
5. Total Borrowings (exclude lease liabilities)	33.5%	7.4%	5.5%	-12.0%	-0.3%
<b>Share Information</b>					
1. Per Share					
Earnings (basic) - sen	106.3	8.9	4.0	16.0	(52.6)
Earnings (diluted) - sen	106.2	8.9	4.0	16.0	(52.4)
Net Assets - RM	2.6	2.0	1.9	1.8	1.9
2. Share Price information - RM					
High	3.96	4.19	4.60	5.26	5.70
Low	2.36	3.25	2.66	3.73	3.25
<b>Financial Ratio</b>					
1. Return on Invested Capital <sup>3</sup>	-1.8%	5.3%	3.7%	6.4%	1.3%
2. Gross Debt to EBITDA <sup>4</sup>	2.9	2.6	2.6	2.4	2.3
3. Debt Equity Ratio <sup>5</sup>	1.2	1.2	1.1	1.2	0.8

## Notes:

- Excludes foreign exchange gains/losses and derivatives, gain/loss on disposal of subsidiaries, associates and joint venture, gain on divestment of non-core digital businesses, one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment, goodwill impairment, purchase price allocation amortisation, gain on disposal of towers, severance payment, Idea related transactions (loss on derecognition of associate, loss on dilution, operational losses and gain on disposal of rights) and one-off regulatory fees and penalties.
- FY2019 and FY2018 are based on restated financials.
- EBIT less tax over average invested capital.
- From FY2019 onwards (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2018: Total borrowings over EBITDA.
- From FY2019 onwards (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total equity; FY2018: Total borrowings over total equity.
- From FY2019 onwards, based on post MFRS 16 "Leases".
- Financial summary for FY2022 and FY2021 are combined reporting of continuing and discontinued operations.

## FINANCIAL REVIEW

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Financial Year Ended	
	31/12/2022 RM'000	31/12/2021 RM'000
Revenue	27,496,070	25,900,661
Operating costs:		
- depreciation, impairment and amortisation	(12,203,972)	(8,094,868)
- foreign exchange (losses)/gains	(373,649)	58,239
- domestic interconnect, international outpayment and other direct costs	(2,586,521)	(2,199,930)
- marketing, advertising and promotion	(2,112,073)	(2,192,658)
- other operating costs	(8,075,655)	(7,963,233)
- staff costs	(2,180,537)	(2,071,006)
- net impairment on receivables and amounts due from subsidiaries	(107,030)	(69,817)
Other gains - net	28,221	52,034
Other income - net	85,466	398,655
Gain on disposal of a group of subsidiaries, net	13,530,081	
Profit before finance costs	13,500,401	3,818,077
Finance income	238,354	150,982
Finance costs	(1,951,429)	(1,565,069)
Foreign exchange (losses)/gains on financing activities	(622,879)	(234,355)
	(2,574,308)	(1,799,424)
Associates		
- share of results (net of tax)	(41,103)	11,689
Joint ventures		
- share of results (net of tax)	(9,709)	(7,706)
Profit before taxation	11,113,635	2,173,618
Taxation and zakat	(1,094,221)	(896,737)
Profit for the financial year	10,019,414	1,276,881
Profit for the financial year attributable to:		
- owners of the Company	9,751,077	818,900
- non-controlling interests (NCI)	268,337	457,981
	10,019,414	1,276,881
Earnings per share (sen)		
- basic	106.3	8.9
- diluted	106.2	8.9

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended	
	31/12/2022 RM'000	31/12/2021 RM'000
Receipt from customers and others	23,956,521	25,250,051
Payments to suppliers, employees and others	(12,524,399)	(14,438,737)
Payment of finance costs	(1,589,069)	(1,398,060)
Payment of income taxes and zakat (net of refunds)	(908,219)	(576,240)
Total cash flows from operating activities	8,934,834	8,837,014
Purchase of PPE (net of disposal)	(9,730,275)	(6,248,195)
Acquisition of intangible assets (net of disposal)	(447,058)	(570,347)
Investment in deposits maturing more than three (3) months	(518,122)	80,400
Investment in subsidiaries (net of cash acquired)	(2,780,487)	(1,400,993)
Investment in associates	(4,504)	(2,421)
Interest received	228,787	149,820
Net purchase of other investments	(8,068)	(12,113)
Net proceeds from disposal of Celcom Group	1,753,040	-
Redemption of preference shares by an associate	(95,703)	(123,866)
Payments for ROU assets	-	5,837
Others	17,394	4,980
Total cash flows used in investing activities	(11,584,996)	(8,116,898)
Proceeds from borrowings and Sukuk (net of repayment)	6,994,085	668,241
Capital injection and additional investment in a subsidiary by NCI	229	247,237
Net proceed from rights issue of a subsidiary	167,997	-
Net proceed from partial disposal of a subsidiary	(1,349,081)	420,667
Repayments of lease liabilities	(1,705,311)	(1,522,063)
Dividends paid	(695,589)	(1,030,315)
Others	-	(309)
Total cash flows from/(used in) financing activities	3,412,330	(1,216,542)
Net increase/(decrease) in cash and cash equivalents	762,168	(496,426)
Exchange (losses)/gains and restricted cash	(748,304)	86,594
Cash and cash equivalents at the beginning of the financial year	6,312,330	6,722,162
Cash and cash equivalents at the end of the financial year	6,326,194	6,312,330
Bank overdraft	142,481	213,632
Deposits and others	983,068	443,390
Deposits, cash and bank balances	7,451,743	6,969,352
Net cash flows generated from/(used in) discontinued operations are as follows:		
Cash flows from operating activities	2,145,880	2,599,853
Cash flows from/(used in) investing activities	1,649,693	(1,028,207)
Cash flows used in financing activities	(579,500)	(968,805)
Net increase/(decrease) in cash and cash equivalent	3,216,073	602,841



## FINANCIAL REVIEW

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at			As at	
	31/12/2022 RM'000	31/12/2021 RM'000		31/12/2022 RM'000	31/12/2021 RM'000
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			<b>CURRENT ASSETS</b>		
Share capital	13,914,272	13,905,207	Inventories	216,351	222,747
Reserves	10,020,787	4,100,117	Trade and other receivables	6,943,592	5,060,933
Total equity attributable to owners of the Company	23,935,059	18,005,324	Derivative financial instruments	14,931	121
Non-controlling interests	6,745,291	7,060,505	Financial assets at fair value through profit or loss	34	65
Total equity	30,680,350	25,065,829	Tax recoverable	67,356	109,514
			Deposits, cash and bank balances	7,451,743	6,969,352
<b>NON-CURRENT LIABILITIES</b>				14,694,007	12,362,732
Borrowings	18,347,504	14,819,079	Assets classified as held-for-sale	-	47,889
Derivative financial instruments	168,717	91,162	Total current assets	14,694,007	12,410,621
Deferred income	3,403	260,360			
Deferred gain on sale and leaseback assets	176,950	307,754	<b>LESS: CURRENT LIABILITIES</b>		
Trade and other payables	805,965	1,116,080	Trade and other payables	10,579,565	13,555,061
Provision for asset retirement	846,488	747,795	Deferred income	1,728	3,609
Deferred tax liabilities	933,812	1,377,516	Deferred gain on sale and leaseback assets	119,251	123,902
Lease liabilities	8,604,274	8,412,149	Borrowings	7,088,128	4,231,416
Total non-current liabilities	29,887,113	27,131,895	Lease liabilities	1,839,617	1,758,846
	60,567,463	52,197,724	Derivative financial instruments	17,925	20,497
			Current tax liabilities	601,102	653,031
<b>NON-CURRENT ASSETS</b>			Dividend payable	825,952	-
Intangible assets	13,442,150	21,722,687		21,073,268	20,346,362
Contract cost assets	138,210	232,519	Liabilities classified as held-for-sale	-	6,344
Property, plant and equipment	27,200,975	26,975,288	Total current liabilities	21,073,268	20,352,706
Right-of-use assets	9,313,782	8,983,213	Net current liabilities	(6,379,261)	(7,942,085)
Associates	15,596,891	257,898		60,567,463	52,197,724
Joint ventures	15,682	25,569			
Financial assets at fair value through other comprehensive income	179,180	220,744			
Financial assets at fair value through profit or loss	5,758	5,678			
Derivative financial instruments	25,945	76,817			
Trade and other receivables	852,513	1,280,866			
Deferred tax assets	175,638	358,530			
Total non-current assets	66,946,724	60,139,809			

# FINANCIAL REVIEW

## GROUP FINANCIAL SNAPSHOT

The Group's steadfast focus on operational excellence, meeting the growing demand for data and digitalisation, and leveraging synergies through mergers and acquisitions, led to a strong underlying performance across most markets. This has resulted in the Group exceeding its targets and closing its FY2022 on a high note despite a challenging year. Our commitment to deliver on the Axiata 5.0 Vision has resulted in upward growth in revenue, EBITDA and profits, closing the year with a robust balance sheet.

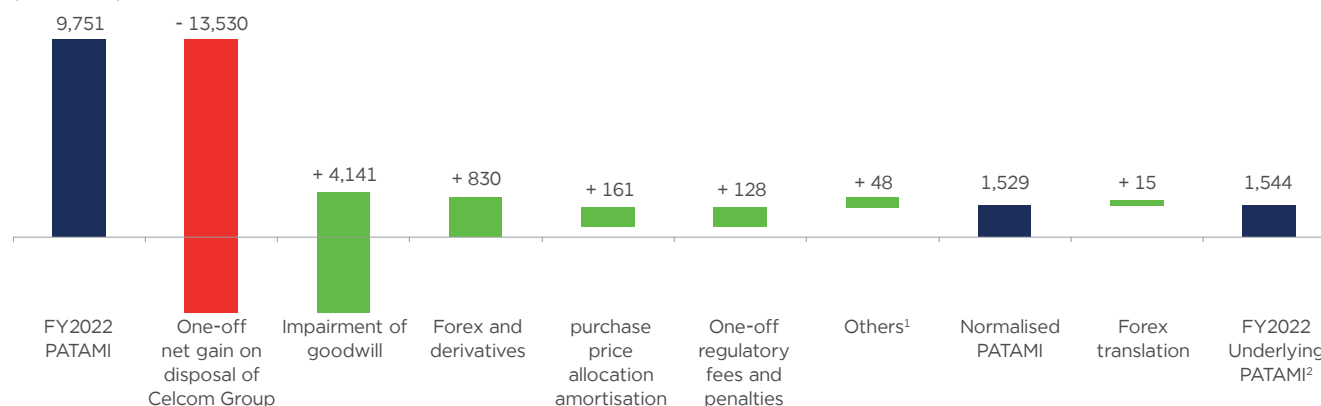
### REVENUE

- Group revenue grew by 6.2% to RM27,496.1 million for FY2022 with growth across all Operating Companies (OpCos) except for Dialog (mainly impacted by adverse forex translation and macroeconomic conditions) and Ncell (mainly due to existing business challenges)
- Key growth drivers are as follows:
  - Higher data contribution at XL, Robi and Smart
  - Contribution from fixed broadband and cable TV business in Link Net, which was acquired by Axiata, end of June 2022
  - New acquisition of towers in the Philippines coupled with organic growth for EDOTCO
  - Boost's growth in offline payment in Boost Life and increased loan disbursements in Boost Credit

### PAT/PATAMI

- Group PAT and PATAMI both increased by more than 100% to RM10,019.4 million and RM9,751.1 million respectively mainly driven by one-off net gain on disposal of Celcom Group amounting to RM13,530.1 million, partially offset by impairment of goodwill amounting to RM4,152.8 million (PATAMI: RM4,141.2 million). In addition, Group PAT and PATAMI were impacted by significant foreign exchange losses of RM996.5 million (unrealised: RM584.2 million) mainly from USD denominated loans and working capital, higher finance costs, higher taxes and one-off regulatory fees and penalties, partially cushioned by higher top lines
- Adjusting for one-off items mainly from one-off net gain on disposal of Celcom Group, impairment of goodwill, foreign exchange losses and derivatives, purchase price allocation amortisation and one-off regulatory fees and penalties, Group normalised PATAMI for FY2022 stood at RM1,529.0 million

**Bridging of 2022 PATAMI to normalised/underlying PATAMI<sup>2</sup>**  
(RM Million)



Notes: <sup>1</sup> Others include gain on disposal of towers and one-off surcharge tax at Dialog  
<sup>2</sup> Numbers are based on constant currency

### EBITDA

- Group EBITDA increased by 9.0% to RM12,434.3 million with improvement from all OpCos except Dialog and Ncell
- Growth in EBITDA is mainly driven by higher revenue, partially offset by higher operating costs and one-off regulatory fees

### COST OPTIMISATION

The Group continued to deliver strong results in cost efficiencies through the Strategic Cost Excellence Programme in FY2022. The cost savings and cost avoidance totalled up to RM1.7 billion through execution of over 500 unique Group-wide initiatives, mitigating the effects of global economic situation, other externalities and contributing towards resilient growth.

- The savings recorded from capital expenditure (capex) of RM1.1 billion and operating expenses (opex) of RM0.6 billion across multiple pillars is testament to a strict cost discipline, with the most significant savings derived from Network and IT through design optimisation and strategic negotiations with partners, vendors and suppliers
- Other efficiency improvements included shift in subscriber acquisition and recharge channels to digital, optimisation in customer-care operations and omnichannel marketing presence for effective reach. These strategies have proved to deliver sustainable cost efficiency in operations and additionally improved customer experience
- The Strategic Cost Excellence Programme continued to drive efficiencies through cohesive collaboration within the Group, striving towards Axiata's target of achieving the lowest data production cost in all operating markets

## FINANCIAL REVIEW

### GROUP FINANCIAL POSITION

As at 31 December 2022, the Group's financial position remained robust with a healthy cash balance at RM7.5 billion and gross debt to EBITDA of 2.9x.

#### TOTAL EQUITY STOOD AT RM30.7 BILLION

- Total equity increased by RM5.6 billion
- Increase in equity balance is mainly contributed by profit of RM10.0 billion, mainly due to one-off net gain on disposal of Celcom Group of RM13.5 billion, partially offset by:
  - Dividends to shareholders and NCI of RM1.6 billion
  - Currency translation losses of RM1.8 billion as a result of strengthening of MYR against OpCos' local currencies
  - New investments in subsidiaries by NCI of RM594.5 million, mainly from the recognition of NCI from the acquisition of Link Net
  - Accretion of equity interest in subsidiaries of RM1.3 billion mainly from the Mandatory Tender Offer of Link Net, where Axiata acquired an additional 33.49% of equity interest from NCI

#### TOTAL ASSETS BALANCE STOOD AT RM81.6 BILLION

- Total assets increased by RM9.1 billion
- Investment in associates increased by RM15.3 billion, mainly resulting from the recognition of CelcomDigi Berhad as an associate following the completion of the merger in November 2022
- Trade and other receivables increased by RM1.5 billion mainly due to recognition of Celcom Group's shareholder loan as external receivables following the disposal of Celcom Group
- Right-of-use assets (ROU) increased by RM330.6 million mainly due to additions in FY2022 amounting to RM3.4 billion mainly from XL and EDOTCO, partially offset by depreciation during the financial year of RM1.9 billion and disposal of Celcom Group amounting to RM1.2 billion
- Property, plant and equipment (PPE) increased by RM225.7 million resulting from the following:
  - Additions in FY2022 of RM9.5 billion mainly due to XL's accelerated capex and acquisition of towers in EDOTCO
  - Acquisition of subsidiaries amounting to RM2.5 billion mainly from the acquisition of Link Net

The increase in PPE is partially offset by:

- Depreciation during the financial year amounting to RM4.9 billion
- Disposal of Celcom Group amounting to RM4.5 billion
- Currency translation losses of RM2.1 billion

The increase in total assets is partially offset by:

- Intangible assets decreased by RM8.3 billion, mainly driven by:
  - Impairment of goodwill in Ncell, XL and Dialog of RM4.2 billion
  - Disposal of Celcom Group of RM4.7 billion
  - Amortisation during the financial year amounting to RM987.8 million and foreign exchange translation losses of RM767.3 million
  - The decrease was partially cushioned by additional goodwill and other intangible assets recognised from acquisition of subsidiaries of RM2.0 billion
- Reductions in deposits, cash and bank balances by RM482.4 million

#### TOTAL LIABILITIES STOOD AT RM51.0 BILLION

- Total liabilities increased by RM3.5 billion
- Gross borrowing (excluding lease liabilities) increased by RM6.4 billion mainly due to drawdown of loans to finance the acquisition of Link Net and acquisition of towers in EDOTCO
- Increase in dividends payable to shareholders of Axiata by RM826.0 million due to declaration of dividends during the year

Partially offset by:

- Trade and other payables decreased by RM3.3 billion, while deferred tax liabilities decreased by RM443.7 million, both due to the disposal of Celcom Group

#### CASH POSITION AND DIVIDENDS

- The Group's cash balance stands at RM7.5 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 10 sen per ordinary share (interim) and 4 sen per ordinary share (special) respectively (FY2021: 9.5 sen per ordinary share). The dividend payout ratio for FY2022 is 60% (excluding special dividend of 4 sen per ordinary share)

#### CAPITAL STRUCTURE AND CAPITAL RESOURCES

- The Group's debt to equity gearing ratio (total borrowing including lease liabilities over total equity) stood at 1.2x as at 31 December 2022

#### CAPITAL ALLOCATION

With multiple businesses and presence in 10 countries, we use the Capital Allocation Framework to guide the Group's strategy towards Axiata 5.0 Vision. The key outcomes we aim to deliver are Underlying PATAMI and Earnings Per Share, translating into Total Shareholder Returns.

Five guardrails in our Capital Allocation Framework:

1. **Country allocation** - determines a country's attractiveness for investment based on its political, economical, social, technology, environment and legal standings.
2. **Segment allocation** - determines a segment's attractiveness for investment based on industry landscape, market structure, barrier to entry, ease of switching and product substitutes.
3. **Affordability** - investment affordability guardrail ring fences 'Source of Capital' for each segment, to ensure affordability and availability of funds for its investments.
  - 4a. **Organic returns** - return requirements measured using EBIT/ Gross Investment.
  - 4b. **Inorganic returns** - return requirements measured using Internal Rate of Return (IRR).
5. **Portfolio mix** - this guardrail enables capital re-prioritisation glide path through partial divestment and/or full exit.

## FINANCIAL REVIEW

### KEY PERFORMANCE INDICATORS

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

	<b>FY2022 Achievement</b>	<b>FY2022 Headline KPIs</b>	<b>FY2022 Achievement</b>
	<b>@ Actual currency</b>		<b>@ Constant rate<sup>1</sup></b>
Revenue Growth <sup>2</sup>	<b>6.1%</b>	<b>Mid single digit</b>	<b>10.2%</b>
Earnings Before Interest, and Tax (EBIT) <sup>3</sup> Growth	<b>20.1%</b>	<b>High single digit</b>	<b>20.3%</b>

Notes:

<sup>1</sup> Constant rate is based on FY2021 Average Forex Rate (e.g. 1 USD = RM4.143)

<sup>2</sup> Revenue is based on revenue excluding device (revenue ex-device)

<sup>3</sup> EBIT excludes impairment of goodwill

The Group posted strong operational performance in FY2022 with revenue and EBITDA growth, contributed by all OpCos except Dialog in Sri Lanka and Ncell in Nepal. PATAMI improvement was largely contributed by one-off net gain on disposal of Celcom Group, offset by higher depreciation and amortisation, goodwill impairment, unrealised forex losses from USD denominated borrowings, net finance cost and taxes.

Year on year (FY2022 versus FY2021), XL in Indonesia and Robi in Bangladesh have their performance lifted by strong industry data growth. Amidst a macroeconomic crisis in Sri Lanka, Dialog's revenue growth remained resilient, whilst profitability was affected by SLR devaluation against the USD, goodwill and asset impairment in FY2022. Ncell in Nepal continues to face challenges as growth in domestic data business has not been able to offset the decline from International Long Distance (ILD) and the impact of lower interconnection rate. Notwithstanding higher regulatory costs in Cambodia, Smart delivers another year of strong operational performance.

Digital businesses continue to grow on the back of accelerated digitalisation amongst consumer and businesses. In addition to its existing e-wallet platform, Boost was awarded a digital bank license in Malaysia and is expanding its credit business; while ADA reports profitability for four consecutive years. EDOTCO records strong operational performance, benefitting from organic growth mainly from Bangladesh, and tower acquisitions in Malaysia and the Philippines. The completion of the Link Net acquisition in Indonesia has also contributed positively to Group profits in the second half of FY2022.

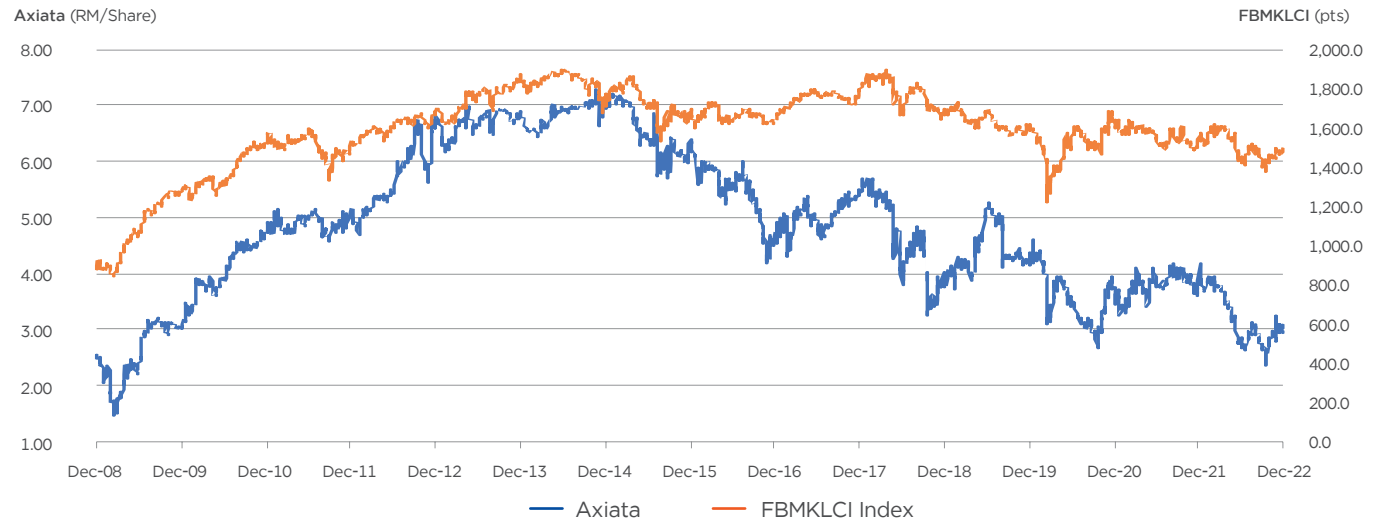
Overall, the Group posted revenue ex-device growth of 6.1% and normalised EBIT growth of 20.1% in FY2022. Against headline KPIs at constant rate, the Group exceeded its target of mid single digit revenue ex-device growth and high single digit EBIT growth with 10.2% growth in revenue ex-device and 20.3% growth in EBIT respectively.

## OUR SHARE PRICE PERFORMANCE

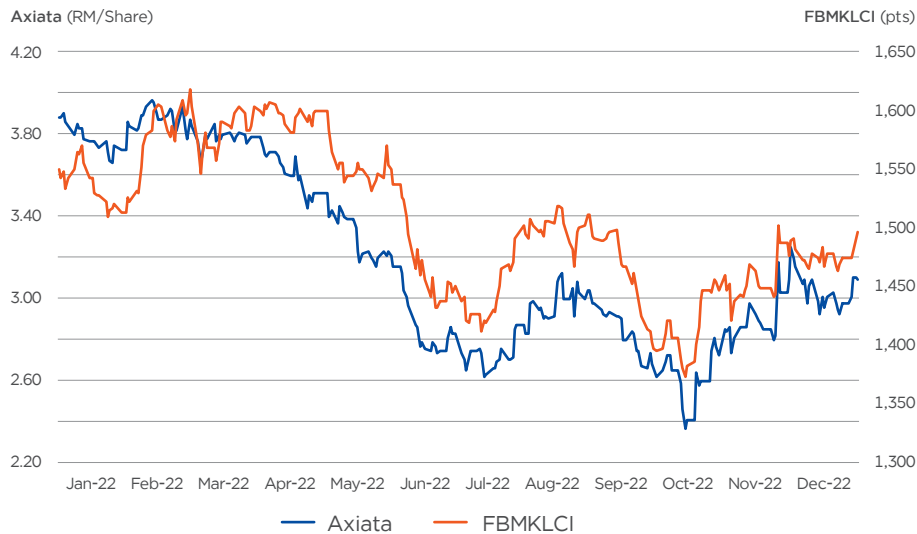
In FY2022, Axiata's share price closed at RM3.09 with a market capitalisation of RM28.4 billion, ranking 15th in the FTSE Bursa Malaysia KLCI (FBMKLCI) by market capitalisation. Despite macroeconomic headwinds, the Group exceeded its headline Key Performance Indicators (KPIs) for 2022, reflecting its commitment to creating value for stakeholders. Foreign shareholding increased to 11.3% at the end of FY2022 compared to 10.9% in the preceding year. Axiata's share price uplift in the second half of 2022 was due to the completion of the Celcom-Digi merger and acquisition of Link Net, while XL Axiata's rights issue signalled the strengthening of the balance sheet, providing a boost to share price in December 2022.

From 2009 to 2022, Axiata's share price increased by 25%.

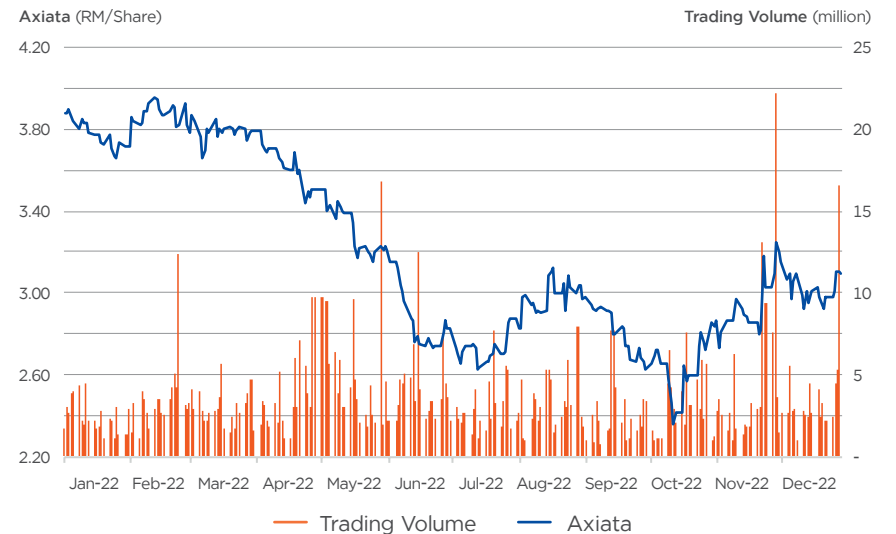
SHARE PRICE PERFORMANCE (2009 - 2022)



SHARE PRICE PERFORMANCE (2022)



AXIATA GROUP SHARE PRICE AND TRADING VOLUME (2022)

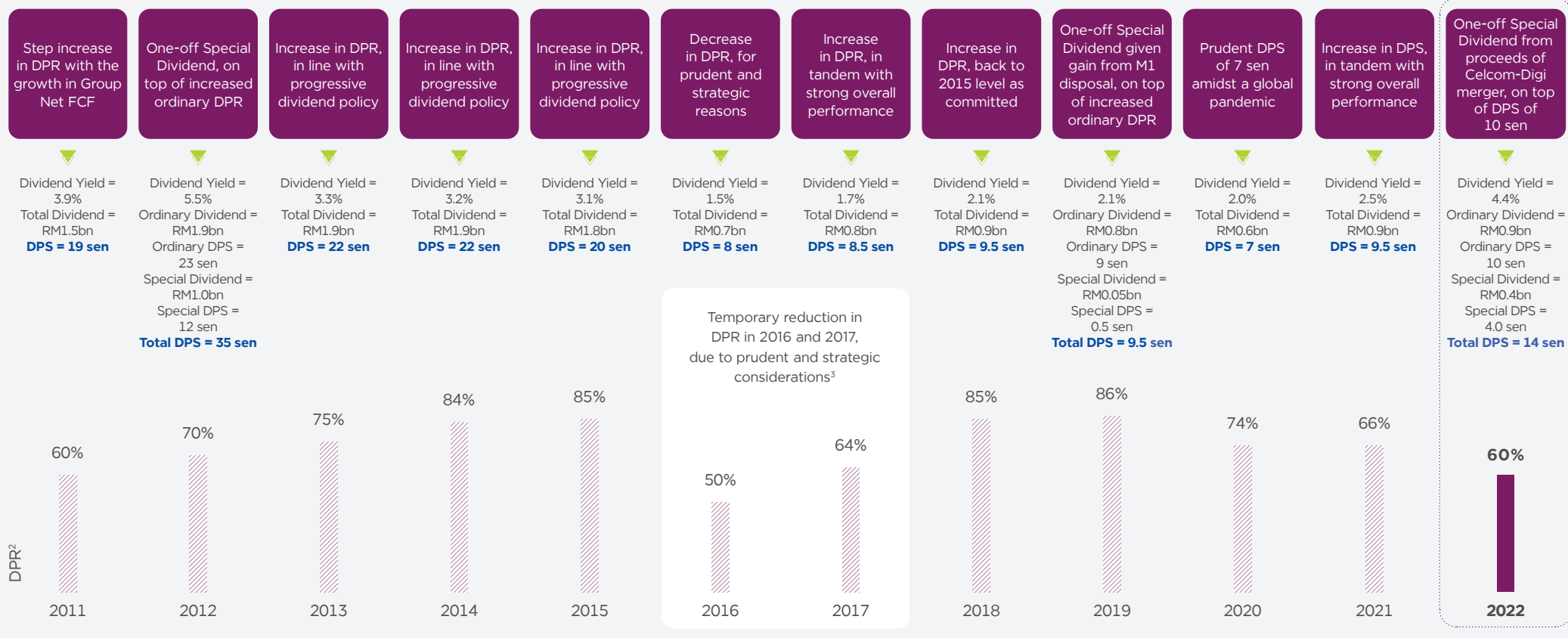


## OUR DIVIDEND POLICY

Supported by a robust performance in FY2022, Axiata announced a second interim dividend of 5.0 sen per share in February 2023, bringing the full year dividend declared for the financial year ended 31 December 2022 to 14.0 sen per share. This includes a first interim dividend of 5.0 sen per share and special dividend of 4.0 sen per share following the successful completion of the Celcom-Digi merger. The FY2022 dividend per share (DPS) of 14.0 sen is higher than FY2021 DPS of 9.5 sen.

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.

### PRUDENT AND DISCIPLINED DIVIDEND PAYOUT



<sup>1</sup> DPS - Dividend per share

<sup>2</sup> DPR - Dividend payout ratio excluding special dividend

<sup>3</sup> 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.

## ENABLING PURPOSEFUL CHANGE FOR COMMUNITIES

Enriching the livelihood of  
the farming communities by  
providing customised expert  
assistance to improve efficiency,  
yield and quality

**GOVI MITHURU,  
DIALOG**



**OUR OPERATING  
COMPANIES**

# CELCOM AXIATA REVIEW\*



Reporting period for Celcom is up to 30 November 2022 as a subsidiary of Axiata Group

**Country:**  
Malaysia

**Year of Investment/  
Shareholding:**  
2008/100%

**Nature of Business:**  
Mobile Telecommunications

**Customers:**  
9.4 million

**Technology Deployed:**  
Mobile:  
GSM/GPRS/EDGE, LTE/LTE-A/  
VoLTE/VoWiFi, 5G

Fixed Network:  
FTTx, WTTx

**No. of BTS:**  
2G : 11,748 (11,170 sites)  
4G : 35,599 (11,967 sites)

**Network Coverage:**  
(by population coverage)  
2G : 95.32%  
4G : 96.37%

**Datuk Idham Nawawi**  
CEO of Celcom Axiata

As we entered the third year of Celcom's Transformation Programme, our commitment and focus remained on three main goals: accelerating business growth, building a future-proof differentiated core and creating a high-performance organisation. Despite being faced with several unprecedented challenges over the past two years, such as COVID-19, we remained extremely focused on the execution of our key transformation programmes in all critical areas, including enterprise business, operational and cost excellence, and digitisation. These initiatives led to Celcom achieving the best financial performance in almost a decade, with superior operational performance. In 2022, we saw growth across the board in key financial metrics with double-digit growth in profitability, even amid the ongoing merger. Celcom's EBITDA margin is now close to 50%, PATAMI doubled with an additional RM600 million in the past two years and margin has grown consistently by more than 1 percentage point every year since 2019, denoting a progressive and sustainable cost transformation.

Driven by our relentless 'customer-first' strategy, we continued to invest in network enhancement programmes, specifically in data and VoLTE nationwide, in our digital channels Pulse and Celcom Life app and in a new BSS digital stack. These initiatives resulted in Celcom reaffirming its leadership in relationship Net Promoter Score (rNPS) and recently named the best operator for overall mobile network experience, a testament to Celcom's commitment to delivering the best experience for our customers.

We solidified our innovation leadership in the enterprise segment, involving 5G, IoT, Cloud and cyber security, fleet management solutions and Smart City solutions. Successful collaborations with various partners to deliver cutting-edge solutions strengthened our position to drive digital transformation across Malaysian enterprises. As the world prepares for the changing future of work, Celcom remained committed to cultivating a more agile workforce and engaging with employees to ensure the success of the newly merged entities.

We emphasised uplifting underserved communities by advocating inclusiveness through education and bridging the digital divide through programmes such as the Celcom Young Digital Innovators Programme (CYDIP). We invested in digital capabilities to maximise growth opportunities for businesses, improve our consumers' quality of life and stimulate Malaysia's economic development. This supported our vision to promote digital inclusivity to become the nation's Most Inspiring Digital Organisation.

Following the successful Celcom-Digi merger\* on 1 December 2022, CelcomDigi has become Malaysia's largest telco player and aims to become the nation's top Telco-Tech company as well as an inclusive and responsible business.

## Financial Review

- Fastest market growth with Celcom's revenue ex-device increased by 5.7% (on equalised basis) contributed by industry-leading prepaid revenue growth and robust postpaid performance\*
- Double-digit growth in profitability as an outcome of sustained operational excellence and cost improvement discipline
- More than RM300 million in opex and capex cost savings, mainly from Network, bad debt and marketing operations
- Profitability grew faster than revenue and EBITDA improved by > 2X of revenue, delivering highest EBITDA in almost 10 years. EBIT grew 63.3%
- PATAMI increased 43.2% from higher EBIT, partly offset by increase in taxes with Cukai Makmur

	2021	2022
<b>Revenue</b> (RM billion)	6.6	6.4
<b>EBITDA</b> (RM billion)	2.8	3.1
<b>EBITDA Margin</b> (%)	42.8	48.5
<b>PATAMI</b> (RM billion)	0.9	1.3
<b>Customers</b> (million)	9.6	9.4
<b>Blended ARPU</b> (RM)	45	45
<b>Smartphone Penetration</b> (%)	91.8	93.8
<b>Data Usage</b> (Per Data Sub Per Month)(GB)	23.8	25.4

\* 11-month revenue ex-device shrank 3.7% due to one less month contribution post-consolidation compared to FY2021

## ESG Highlights



### Environmental

- Improved environmental data collection and reporting which improved data aggregation quality, resulting in more accurate disclosures and informed planning via structured data reviews



### Social

- > 8,000 entrepreneurs benefitted from 8 Digital Entrepreneurship Programmes
- > 21,000 students nationwide benefitted from 13 Equity-in-Education programmes
- Provided assistance to > 11,000 recipients from the B40/lower-income community through 5 Community Relief programmes



### Governance

- Strengthened data privacy management by incorporating collection limitation principles into policies and developing a personal data inventory template for tracking collected data
- Developed a framework for Privacy by Design data privacy management which included creating a Data Protection Impact Assessment template and establishing a regular schedule for assessments
- Implemented data governance tool via Project Axon that automated over > 150 hours manual process enabling data accuracy above 95%



Scan QR code to visit Celcom's website



## CELCOM AXIATA REVIEW\*



### Operating Environment

- Economy returned to normalcy as businesses resumed operations, including retail stores, resulting in the reversal of data usage trend from residential areas back to business districts
- Competition remained high in all key areas (Prepaid, Postpaid and Convergence) as industry players aim to drive further growth in 2022 to offsets the past two years' setbacks due to COVID-19
- Continued market focus on fixed-mobile convergence as operators and media players try to establish differentiation
- Data usage started to stabilise with lower YoY growth rate. Unlimited data pricing model remains in line with market demand
- The Government reiterates its decision on the SWN model for 5G roll out nationwide through Digital Nasional Berhad (DNB)

### Awards Highlights

#### Nation's Most Trusted Telecommunications Company

#### Marketing Excellence Awards 2021

- Excellence in Marketing Innovation (Bronze)

#### Ookla Speedtest Awards

- Best Mobile Coverage in Malaysia

#### Marketing Technology Excellence Awards 2022

- Information Management – Telecommunications

#### Sustainability & CSR Malaysia Awards 2022

- Company of the Year for Best in Digital Education & Community Relief Initiatives – Telecommunications
- Company of the Year for Long-Standing Excellence in Sustainability – Telecommunications

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Celcom delivered the best financial performance in almost a decade with industry-leading revenue growth and double-digit growth in profitability, underpinned by sharp execution of a three-year transformation programme
- Succeeded in building a sustainable Prepaid business with highest market growth and continued traction in Postpaid and Fibre business
- Sustained operational excellence and cost improvement outcomes, delivering > RM300 million in cost savings through the Collective Brain
- Celcom achieved double-digit growth in EBITDA and PATAMI, with highest EBITDA in almost 10 years
- Invested > RM800 million to cater for a significant growth in traffic demand. Continuous network investments also focused on multiple network enhancement initiatives that are aligned with Jalanan Digital Negara (JENDELA)
- Significant improvements in customer experience as a result of various programmes, evident through a notable reduction in customer complaints, enhanced network service experience and maintained a leadership position in rNPS
- Recognised as the best operator for overall mobile network experience nationwide, including the best download speed experience
- Celcom experienced unprecedented growth of > 10% in total Enterprise revenue driven by non-mobile solutions despite strong competition in core mobile services

#### Operational Excellence

- Developed expertise in Cloud services, cyber security and Managed Services through the acquisition of Bridgenet and Infront, and launched new IoT solutions such as 5G, AI, Security & Surveillance, fleet management solutions and Smart City solutions, supported with major wins
- Remained focused on convergence as the growth engine with innovative Celcom Home Fibre™ convergence bundling, including regionalised convergence offerings in Johor and Penang; and same-day installations 'Pasang Terus' campaign in Sabah, resulting in double-digit growth in subscribers and revenue
- Celcom Life App remained highest rated among peers on Google Play Store and iOS, with more than 3 million active users, handling > RM1.8 billion total transaction value through the App
- Digitisation of trade through the implementation of dealer wallet, automating stock and inventory management, enabling agile channel operations
- Successful implementation of Phase 2 of Digital Stack Transformation, enabling faster Go-To-Market and nimble operations
- Implementation of FLOW (Flexible Working) in 3 satellite offices to provide greater flexibility to employees

\* Following the Celcom-Digi merger, Celcom is now a part of the entity known as Celcom Digi Berhad and became Axiata's key associate company effective 1 December 2022

# XL AXIATA REVIEW



**Country:**  
Indonesia

**Year of Investment/  
Shareholding:**  
2005/66.53%

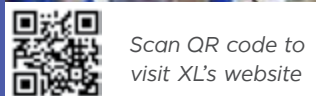
**Nature of Business:**  
Mobile

**Customers:**  
57.5 million

**Technology Deployed:**  
Mobile:  
GSM, GPRS, EDGE, 3F, HSPA+,  
DC-HSPA+, 4G LTE, 4, 5G

**No. of BTS:**  
2G : 53,136  
4G : 91,632

**Network Coverage:**  
(by population coverage)  
2G : 92%  
4G : 96%



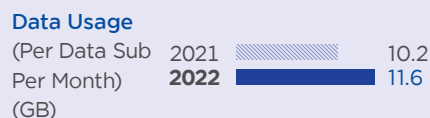
**Dian Siswarini**  
President Director &  
CEO of XL Axiata

XL Axiata demonstrated its agility and resilience in facing the challenges of 2022 and achieved notable progress by the end of the year. Our strategic focus on digitalisation, customer experience and convergence has been the driving force behind our innovation and transformation actions throughout the year to realise the goal of becoming the Leading Converged Operator in Indonesia.

We believe that convergence services, which combine mobile home connectivity and Enterprise propositions, are key to increasing customer loyalty. Our commitment to providing service reliability has been recognised with the Best Convergence Product Award for our flagship XL Satu product. We view convergence as the gateway to developing various other digital services to ensure XL Axiata's readiness to maintain its winning position in the coming years.

## Financial Review

- Revenue grew 9.0% from increased data contribution and ARPU improvement
- EBITDA lagged revenue growth due to increased opex from direct cost and regulatory cost
- PATAMI fell 13.9% on the back of higher net finance cost from additional borrowings for Link Net acquisition, forex loss in FY2022 and absence of one-off gains
- Successful fixed-mobile convergence delivery, where 37% of XL Home subscribers are XL Satu subscribers



## ESG Highlights



### Environmental

- Extended implementation of Green BTS related initiatives through the use of lithium battery, genset descope and additional use of solar panel for renewable energy
- Managed electronic solid waste through cooperation with third parties who have relevant permits and certificates in managing regulated B3 waste (Hazardous and Toxic Materials)
- Implemented digitisation to reduce paper usage, provided sufficient trash cans for domestic waste segregation and minimised single-use plastic in office



### Social

- Extended support for community development and disaster relief through XL Sisternet, XL Future Leaders, XL Lautan Nusantara, XL Pesantren Digital and XL Axiata Baik
- Actively participated in G20 2022 event in Bali and W20 empowerment activities
- Expanded digital communication channels for employee engagement including interactive emails, WhatsApp blasts, gamification, employee app XLife, as well as Zoom and Teams for e-Townhall engagements and Ngobrol podcast programme to cascade news on XL to all employees.
- Provided online medical diagnosis and COVID-19 testing to employees and their families
- Introduced digitalisation and automation processes to ensure faster and more accurate delivery of network, product, service care, distribution and digital touchpoints to customers



### Governance

- Implemented XL Axiata ABAC Procedure, GDSC, ERM and BCM, with all XL Axiata employees signing the ABAC and GDS Declaration
- Conducted training and awareness programmes on business ethics and compliance with business partners, governing bodies and employees
- Improved cyber security with enhancements made to Cloud Security including Web Application Firewall (WAF) Optimisation, Cloud Security Posture assessment and Hygiene Security Posture
- Enhanced awareness of personal data protection regulations

## XL AXIATA REVIEW



### Operating Environment

- Competition remained high driven by aggressive pricing moves from operators
- Data usage continued to be strong due to the new normal lifestyle of higher digital usage
- Data pricing improved, with data price erosion stabilising compared to 2021
- Indonesia enacted Law 27/2022 on Personal Data Protection which regulates the collection, usage, disposal and storage of personal data
- Hybrid working culture has continued to be adopted, with companies adopting a combination of WFH and WIO
- Extended XL Axiata's 5G network coverage to 75 locations within 23 cities, utilising DSS technology in a 2.1 GHz spectrum band

### Awards Highlights

[Corporate Emission Reduction and Calculation Transparency Award 2022, Beritasatu Media Holdings with Bumi Global Karbon Foundation \(BGKF\)](#)

- Transparency on Reducing Corporate Emissions in the Issuers and SOE Sectors in the Green Category
- Transparency of Corporate Emission Calculation in the Issuers and SOE Sector in the Gold Category

[Anugerah Bisnis Indonesia Social Responsibility Award \(BISRA\) 2022](#)

- Corporate Social Responsibility Programme award for the listed company category (Gold)

[Indonesia Customer Service Quality Award 2022, Marketing Magazine](#)

- 2022 Customer Service Quality Award - Grade Diamond

[Marketeers Editor's Choice Award 2022](#)

- Enterprise Solution Enabler of the Year category for Private Network to Support Industry in Digitalisation services

[ESG Excellence 2022](#)

- ESG Excellence 2022 in the Telecommunication for Sustainability category

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Drove significant network improvements to leverage new operating environment, resulting in better customer experience
- Achieved 4x in-app personalisation revenue growth, 4.5x NPS improvement and 25 million apps Monthly Active Users (MAU), up by 53% compared to January 2022, utilising personalised AI-driven dynamic pricing
- Reinforced convergence proposition as a key growth driver
- Delivered a double-digit revenue growth in the Home business and achieved 37% of XL Satu penetration rate based on its Fixed Mobile Convergence proposition
- Achieved double-digit revenue growth in the Enterprise segment through a 'beyond connectivity' strategy with IoT, big data and managed ICT solutions

#### Operational Excellence

- Continued to focus on Operational Excellence, resulting in a high single-digit EBITDA growth
- Leveraged Collective Brain initiative to drive capex and opex savings
- Enhanced AI adoption and implementation which translated into more than 60 AI use cases and more than 160 zero manual processes
- Transformed digital customer care which resulted in a high double-digit traffic growth
- Increased employee productivity by a high single digit versus 2022

#### Structural Changes

- XL Axiata strengthened its convergence offering through the acquisition of Link Net and solidified its presence in the ICT market through the acquisition of Hypernet
- XL Axiata's acquisition of Link Net and Hypernet strengthened its position in the Home and Enterprise segments

### Outlook for 2023 and Beyond

- Market expected to remain competitive with aggressive pricing from competitors, amid continued growth in data usage driven by strong video and social media consumption
- Localised and personalised/dynamic pricing strategy essential to counter competition and increase ARPU, which will result in price movements
- XL will prioritise the quality of 4G-based services, which has the largest consumer mobile services base, while deploying 5G in selected areas
- Plans underway to grow its XL Home business aggressively, rapidly expanding convergence coverage
- Scale up convergence strategy for family and business through company-wide operations transformation, including in distribution, IT and network, and extend automation and digitalisation use cases to drive operational efficiencies
- Enhance customer experience by focusing on delivering next-level digital personalisation and providing a seamless customer journey with converged online-offline omnichannel touchpoints
- Leverage deep analytics capability to enable 360-degree customer views across segments
- Continue to strengthen ESG initiatives, including energy efficiency and renewables acceleration, enhance digital solutions and inclusion programmes, and improve good corporate governance practices
- XL will scale up its agile way of working to achieve the highest employee engagement and productivity in the industry
- Explore further opportunities to boost Enterprise value offerings via strategic partnership and M&A to become a leading ICT player and leverage synergies with Link Net and Hypernet to enhance convergence offering

# DIALOG AXIATA REVIEW



**Country:**  
Sri Lanka

**Year of Investment/Shareholding:**  
1995/82.27%

**Nature of Business:**  
Communication Services, Telecommunications Infrastructure Services, Media and Digital Services including Financial Services, Dialog Enterprise

**Customers:**  
17.4 million

**Technology Deployed:**  
Mobile: GSM/EDGE, 3G/HSPA+, LTE/LTE-A, 5G Pilot  
Fixed Network: LTE, WIFI, DOCSIS, FTTx, Wibas  
Media: IPTV, DTH (Satellite TV), VIU mini (Android Stick), VIU Hub 2.0 (Android TV)

**No. of BTS:**  
2G: 5,559  
3G: 2,877  
4G Mobile Broadband: 5,242  
4G Home Broadband: 2,523

**Network Coverage:**  
(by population coverage)  
2G : 98.2%  
3G : 82.09%  
4G Mobile Broadband: 95.4%  
4G Home Broadband: 71.22% (Outdoor Coverage)



Scan QR code to visit Dialog's website



**Supun Weerasinghe**  
Director/Group Chief Executive of Dialog Axiata

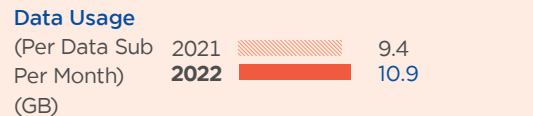
As we endeavour to advance Axiata's vision of becoming the Next Generation Digital Champion, Dialog continues to spearhead innovation and digitisation in Sri Lanka. Our commitment to providing cutting-edge solutions and world-class connectivity to individuals and businesses alike has propelled us to the forefront of this rapidly evolving landscape.

We remain steadfast in our purpose of empowering and enriching Sri Lankan lives and enterprises, as demonstrated by our unwavering dedication to social responsibility and sustainability. Our efforts and purpose-driven leadership in social responsibility and sustainability helped us to remain a positive force in Sri Lanka's communities and the nation at large, amid the challenging economic conditions faced by the country.

We will continue to play our part in fuelling economic growth and creating new opportunities for our citizens by enabling Sri Lankan enterprises to compete on a global scale. Our commitment to transforming our country through equitable and inclusive access to technology remains resolute and we are determined to lead the way in shaping Sri Lanka's digital future.

## Financial Review

- Revenue ex-device grew by 25.5%, driven by mobile and fixed data, international and enterprise business
- EBITDA impacted by higher staff costs, network costs and organisation transformation cost
- EBIT further impacted by higher Depreciation and Amortisation, which includes goodwill and asset impairment
- PATAMI dropped more than 100% due to higher forex loss, goodwill and asset impairments and higher net finance cost



## ESG Highlights

- Environmental**
- Implemented initiatives to reduce carbon emissions and save energy, including data monitoring in office buildings under Smart Building Monitoring Project (IoT), adding full and new solar sites under DC bus configuration (on-grid) and Cyclic implementation to minimise fuel consumption
  - Implemented 168 new solar sites with 724.74 kW capacity
  - Strengthened waste management initiatives and recycled 5.929 tonnes of paper waste and 706.17 tonnes of e-waste

- Social**
- Dialog Foundation launched Karuna.lk, Sri Lanka's first crowdfunding platform with verified and trusted non-profits, organisations and causes
  - Improved connectivity to 1,028 villages and deep rural communities via 'Sew Desatama Dialog'
  - Enhanced end-to-end Supply Chain Management analytics beyond traditional methods, leveraging comprehensive insights from new data sources for better decision-making
  - Strengthened talent management and succession planning by identifying key talent groups, assessing top 100 talent candidates, and regularly reviewing and updating process for identifying successors for senior leadership positions

- Governance**
- Recognised by Transparency International Sri Lanka as one of the top three 'Fully Transparent' companies among Sri Lanka's top 100 public listed companies - for its robust and prudent risk management and anti-bribery anti-corruption programme
  - Implemented a comprehensive 'Third Party Due Diligence' and a company-wide quarterly 'Corruption Risk Assessment' among other initiatives in 2022 demonstrating our continuous commitment towards UI.EP

## DIALOG AXIATA REVIEW



### Operating Environment

- Mobile service tariffs increased by 20% from 5 September 2022, approved by Telecommunications Regulatory Commission of Sri Lanka (TRCSL) due to operational cost escalation, driven by inflation and rupee depreciation
- TRCSL authorised operators to conduct 5G trials in 3.5 GHz and 27 GHz bands at the end of 2022, with commercial assignment starting in Q1 2023
- During economic downturn, SIM consolidation decreased subscriber base by 2% but Dialog's mobile market share increased by 1.8 percentage points
- Data market share decreased by 5 percentage points due to irrational pricing by competitors
- There were several tax movements throughout the year: VAT up from 8% to 15%; Telecommunications Levy increased from 11.25% to 15%; Corporate Income Tax increased from 24% to 30%; and the Social Security Contribution Levy Act No. 25 of 2022 to levy taxes every quarter at 2.5% rate

### Awards Highlights

#### Brand Finance 2022

- Most Valuable Brand of the year (4th consecutive year)
- Most Valuable Telecommunications Brand (15th consecutive year)

#### SLIM KANTAR People's Awards 2022

- Telecommunication Brand of the Year (11th consecutive year)
- Service Brand of the Year (3rd consecutive year)

#### ACCA Sustainability Awards 2022

- Dialog was adjudged the overall first runner-up
- Dialog won the General Services Category

Recognised by the Government of Sri Lanka/Ministry of Power and Energy for its visionary leadership and invaluable contribution towards the creation of the 'National Fuel Pass' platform

#### Sri Lanka's Most Respected Entities 2022

- Dialog was recognised as the Sector Winner and ranked among the Top 5 entities in Sri Lanka

#### Commonwealth Digital Health Awards

- The Doc990 Clinic Management solution, deployed at the Lady Ridgeway Children's Hospital, was a joint winner under the category 'TeleCare'

#### H One was recognised by Microsoft as:

- Sri Lanka Country Partner of the Year 2022
- Sri Lanka Microsoft Cloud Solutions Direct CSP Partner of the Year 2022
- Sri Lanka Security Partner of the Year 2022
- Sri Lanka Modern Work SMB Cloud Partner of the Year 2022
- Sri Lanka Modern Work Partner of the Year 2022

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Recognised by a leading third-party crowdsourced Network Experience Measuring agency for overall network experience and Best Video & Gaming Experience, Upload & Download Speed, 4G Coverage, Voice App Experience
- Drove digital adoption and improved user journey using analytics
- Delivered integrated solutions beyond conventional connectivity and ICT services, including H One-Go beyond SL in Microsoft, and underwent ICT organisation transformation
- Dialog Digital Services expanded portfolio to better serve Digital industries of FinTech, HealthTech, EduTech and InsurTech
- Genie Consumer App grew 8x in monthly GTV, active base and launched Genie Business, first of its kind in the market as a fully digital merchant onboarding solution with trilingual support for financial inclusivity of micro and medium merchants

#### Operational Excellence

- Project Resilience implemented to manage and control rapidly escalating costs due to high inflation and macro-economic instability, leading to significant improvements in Group profitability
- Collaborating with OpCos and Group, driving analytics to make accurate decisions for commercial and business success and digital telco transformation
- 'MyDialog' digital self-care app is Sri Lanka's most downloaded telecom app with 8+ million customer registrations, resulting in 100% e-bill cutover and 80% automated payments, contributing to the upliftment of Group EBITDA
- Migrated analytics to the Cloud for improved reliability, availability and easier scaling of computing power, while deploying AI Factory for automation of ML and AI Models, and expanding capabilities

#### Structural Changes

- Mobile yield negatively impacted by increased Worry Free traffic, Fixed Business sustained revenue growth post-pandemic while optimising costs
- Dialog TV (DTV) focused on cost optimisation and driving revenue, amid cost rescaling and repricing
- Introduced Enterprise Marketplace, offering Dialog Enterprise customers digital solutions on a self-service model

### Outlook for 2023 and Beyond

- Demand for data usage expected to grow with digital adoption and attractive pricing
- Maintain mobile network leadership and optimise network to enhance customer experience
- DTV to sustain market leadership in Direct-to-Home (DTH) and aggressively expand IPTV/OTT product offerings, including ViU Mini, to future-proof the business
- Leverage leadership in prepaid product proposition to drive affordable connectivity, review and revamp prepaid and postpaid propositions to increase customer retention and create more value for customers
- Continue driving digital adoption, building on Cloud infrastructure and AI Factory to drive business value by automating high-value use-cases and providing faster and more reliable insights to support decision-making across the company
- Enterprise market to see localisation of infrastructure due to USD liquidity, high capex to opex-based local Cloud, shift in security landscape to accommodate work from anywhere and growing demand for data
- Attract and develop digital talents and ready talent pipeline
- With 5G and FTTx as cornerstones of future service delivery, expecting 5G license approval from regulators with commercial spectrum allocation through auction
- Number portability to be implemented in Sri Lanka with regulator introducing spectrum management process and regulating shutdown of legacy networks, while pursuing rural broadband roll out coverage



# ROBI AXIATA REVIEW

**Country:**  
Bangladesh

**Year of Investment/  
Shareholding:**  
1996/61.82%


**Nature of Business:**  
Mobile Telecom Operator

**Customers:**  
54.4 million

**Technology Deployed:**  
Mobile:  
GSM/EDGE, 3G/HSPA+, LTE/  
LTE-A, VoLTE

**No. of BTS:**  
2G BTS : 15,558  
3G BTS : 9,589  
4G BTS : 15,650

**Network Coverage:**  
(by population coverage)  
2G : 99.6%  
3G : 67.6%  
4G : 98.3%



Scan QR code to visit Robi's website



**Rajeev Sethi**  
CEO of Robi Axiata

Just like the Digital Bangladesh vision, the Smart Bangladesh vision comes with a clear pathway into the future of the country. I would like to thank the Government of Bangladesh for deftly encapsulating the aspirations of Digital Bangladesh in the Smart Bangladesh vision. We echo this vision of the Government and pledge our commitment towards it.

As Bangladesh rapidly increases its appetite for digital lifestyle, Robi ended 2022 standing tall with more than half of its subscribers (53%) using 4G service. In relation to the data user base, close to 76% of our subscribers are data users. On both of these counts, Robi is leading the industry by a long margin.

While our data traffic continues to grow exponentially, the absence of data price regulation continues to put pressure on our business. We look forward to scaling up our data business by ensuring quality 4G service to nullify this concern. Forex loss, on the other hand, dealt a heavy blow for us in 2022. We are going to take necessary measures to safeguard our business from potential forex crisis in future.

We managed to make significant gains out of our optimised cost structure. Going forward we will continue to leverage cost optimisation to strengthen our bottom line.

## Financial Review

- Strong revenue traction despite macroeconomic challenges, driven by growth in voice, data and other value-added services (VAS)
- EBIT grew by 47.3%, outpacing service revenue growth of 6.1%, mainly attributed to opex control (lower regulatory fees, interconnect and material cost) and reversal of provision, offset by higher network expenses and D&A
- PATAMI growth moderated to 1.3% dragged by forex loss on USD loans and higher net finance cost, excluding which, PATAMI stands at a solid 51.2% growth



## ESG Highlights

- Environmental**
- With a view to advance its green credential, Robi has successfully recycled over 308 tonnes of e-waste notably from Technology, IT and Facilities department by conducting eight auctions. This initiative also significantly boosted the country's recycle industry

- Social**
- Prioritised employee welfare by providing life and medical insurance, which were revised to address COVID-19 and critical illness coverage
  - Resumed employee welfare initiatives including daycare facilities, pick-up and drop-off services and subsidised cafeteria meals
  - Enabled digital inclusion by launching the bdapps Campus Ambassador Programme in over 120 learning institutions in Bangladesh and partnering with youth development organisations such as Mohsin Fatema Youth Welfare Foundation to conduct bdapps National Hackathon
  - Managed natural disasters and emergencies, including Cyclone Sitrang and floods at Sunamganj in Sylhet, through adherence to Business Continuity and Crisis Management framework and procedures, enhanced crisis management with digital platforms such as 'Kaizala' and 'Online War Room', and conducted disaster recovery drills

- Governance**
- Strict adherence to Information Security governance practices resulted in robust cyber security and data privacy eco-system
  - Engaged with regulatory authorities and Ministry to enable pro-market policies and regulations, ensured compliance with relevant directives and invested in Hi-Tech and Software Technology Parks, partnered with a2i and launched r-venture 3.0 to support entrepreneurs in alignment with government targets



## ROBI AXIATA REVIEW

### Operating Environment

- Market subscriber penetration stands at 103.1% with Robi in second spot with 30.2% market share and mobile Internet penetration at 64.3% as of December 2022
- Consumers' dependence on Internet, adoption of new digital services and competition led to more affordable prices and increased data consumption
- Market GB/data subscriber increased from 4.0 to 6.0 GB/sub
- Data price fell by 27.6% due to competitive pricing and the absence of regulation on floor price of data
- Taxation regime continues to be the major stumbling block for the telecom industry in Bangladesh
- Regulator proposing strict Quality of Service (QoS) regulations including call drop compensation from first call drop, site level parameter based obligations and in the process of revising the existing QoS regulations to impose stricter thresholds
- Robi conducted 5G trials in Dhaka and Rangpur in September 2022. It was the first operator in Bangladesh to conduct 5G trials back in 2018

### Awards Highlights

Robi recognised as the Champion in AI Maturity 2022 by TM Forum

#### BASIS National ICT Awards 2022

- The winner of Inclusions and Community Services (HC-ICS) category for Noor Islamic app

#### Bangladesh Innovation Awards 2022

- Best Innovation in Community Engagement - bdapps

#### South Asian Federation of Accountants (SAFA)

- Best Presented Annual Reports Award 2021 (Bronze)

#### 22nd ICAB National Award for Best Presented Annual Reports 2021

- First position under Communication & IT category

#### Global Carrier Awards 2022

- Best Social Media Campaign - Airtel brand's #airtelchallenge

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Robi acquired 60 MHz of the 2600 GHz spectrum band in the spectrum auction in 2022, bringing its spectrum possession to 104 MHz
- EBITDA performance improved and reached 44.9%, with blended ARPU increasing by 2.4% due to a strong subscriber base
- Expanding presence in new growth areas by building a diverse digital portfolio of enterprise ICT solutions to meet the new market demand
- Driving its future business model through the diversification of its current portfolio with platform solutions like OTT Binge, application bdapps and the Robishop marketplace

#### Operational Excellence

- Growing data business is the centrepiece of Robi's strategy for digital transformation. Despite being the second largest operator, when it comes to data market share, Robi is often jostling with the market leader for the top position
- Different cost optimisation initiatives improved EBITDA performance
- Single App customers have a 21.0% higher ARPU growth with less than 1.5% churn
- Robi organised Datathon 2.0, Bangladesh's most prestigious and biggest datathon revolving around the role of Big Data and Machine Learning in solving business problems
- Robi received special awards through LEAP Analytics, LEAP Enterprise and the most impactful sustainability initiative for different digitisation and analytics interventions
- Organisation-wide 5G Learning Awareness programme launched to establish the basics of the technology before the implementation of 5G
- Launched the Robi Sales Academy to develop functional and leadership capabilities of Robi's sales force
- Organised multiple roundtable sessions among policymakers and relevant journalists for Smart Bangladesh Vision to ensure better understanding regarding 5G and Bangladesh market's readiness
- Diversifying current portfolio through future-proof platform solutions like OTT Binge, bdapps and Robishop marketplace

### Outlook for 2023 and Beyond

- Intensifying competition for sustainable subscriber base and revenue growth
- Untapped opportunity with the current 57.5% mobile penetration in digital and new innovative services segment
- Market forces likely to dilute prices in absence of data price regulation, however, regulator is currently assessing the implications of data price regulation, which, if implemented, will place the data business on sustainable track
- Growth in use of 4G will further accentuate the ongoing shutdown process of 3G service
- Operators focus on bundle products including voice and digital services
- Upcoming general election may influence regulator's decisions, concerns on high taxation, potential 5G roll out obligations and policies under review
- Tower sharing is likely to go up among MNOs. If materialised, this is likely to improve financial performance
- Use cases for 5G technology are yet to mature, government plans commercial launch in 2023, leading to a slow and gradual deployment in a few hotspots
- Robi plans to scale Enterprise Business ICT solutions by providing end-to-end solutions for cloud, connectivity and security and identifying relevant future platform business models for revenue diversification
- Untapped market of 42.5% unconnected population and 68.4% unconnected mobile internet population present growth opportunities
- Cost reduction essential for sustainable data traffic growth and profitability in a price-sensitive market
- Robi aims to sustain voice revenue by ensuring higher RGB among existing customer base, increasing primary SIM users and maintaining/increasing prices
- Aim for single app to become the primary app for customer's daily digital life by driving app penetration, single app revenue contribution and decreasing churn
- Active participation in policy-level discussions to ensure a comprehensive overview for informed decision-making
- Identifying and building on prospects to ensure diverse revenue channels

# SMART AXIATA REVIEW



**Country:**  
Cambodia

**Year of Investment/  
Shareholding:**  
2013/72.48%


**Nature of Business:**  
Mobile Telecom Operator

**Customers:**  
7.1 million

**Technology Deployed:**  
Mobile:  
GSM/EDGE, LTE/LTE-A

**No. of BTS:**  
2G : 3,325  
4G : 3,370

**Network Coverage:**  
(by population coverage)  
2G : 99.6%  
4G : 98.7%



Scan QR code to visit Smart's website



**Ziad Shatara**  
CEO of Smart Axiata

2022 was a transformational year for Smart Axiata in many ways. We continued to thrive while pursuing our mission of becoming Cambodia's number one and most loved communication tech brand by providing connectivity solutions and digitalising the way we work, play and live. We prioritised our customers, partners and communities, remaining true to our customer-centric approach and sustainable practices.

The development of Cambodia's telecommunications industry is seen as the foundation of the country's digital economy and society. Our people at Smart have worked tirelessly to provide quality and reliable connectivity to our customers, extending digital services to some of Cambodia's most remote communities and enabling their access to education, healthcare and even employment opportunities.

Smart believes in fostering an innovative culture that allows us to constantly improve and evolve. We are incredibly excited about the possibilities and opportunities that lie ahead. We are investing heavily in network quality development and innovative products that meet customers' and market requirements, and are committed to collaborating with our ministerial partners and stakeholders. We recognise and embrace our role in building a flourishing digital ecosystem and economy in Cambodia. We are eager to support the Kingdom's Digital Economy and Society Policy Framework 2021-2035 and its goals of becoming a middle-income country by 2030 and a high-income nation by 2050.

## Financial Review

- Strong revenue ex-device up by 6.9% driven by data growth and one-off revenue from expired scratch card
- EBITDA (up 0.7%) and EBIT (up 5.1%) margins impacted by higher regulatory costs from microwave fees and one-off retrospective microwave fees for prior years
- PATAMI down 25.9% further impacted by a one-off penalty fee for microwave



Note: Smart's Revenue are pre IFRS 15 for the years prior to and up to 2019. 2020 to 2022 Revenue are post IFRS 15.

## ESG Highlights



### Environmental

- Participated in 'Cambodia Energy Efficiency Initiative' energy competition organised by Sevea and established Smart's Green Team to reduce energy usage and promote sustainable practices in the workplace, ultimately winning the competition as the best Green Team among all companies in Cambodia
- To reduce single-use plastic (SUP), provided employees with alternative tools, including lunch boxes and tumblers, and implemented cross-departmental programmes to collect plastic containers for refillable products
- Extended SUP initiative under Project R, in collaboration with Cambodia Rural Students Trust, to educate 40,000 high school students in Siem Reap to address the consequences of SUP usage and inculcate a lasting change



### Social

- Organised the SmartStart Young Innovator Programme, initiated by Smart in collaboration with Impact Hub Phnom Penh, to empower young Cambodian talents to develop their innovative tech and digital ideas, with over 100 university student participation
- Introduced entrepreneurship concepts via the SmartStart Unipreneur Learning Programme, an online learning and interactive platform to help students develop technical capabilities and entrepreneurial mindset among Cambodian university students, featuring local role models and practical implementation



### Governance

- Prioritised data privacy and cyber security through measures including mandatory training, privacy compliance framework, vendor due diligence and various security implementations



## SMART AXIATA REVIEW



### Operating Environment

- Intense mobile-led telco competition, with three major mobile operators dominating over 90% of the market and actively vying to become exclusive partners for high-profile national and regional events such as the ASEAN Summit, Cambodia's National Games
- In July 2022, Cambodia's Ministry of Post and Telecommunications banned loan services for pre-paid users from mobile operators
- Starting 28 February 2023, existing tariff exchanges (mobile money exchange service) will cease in Cambodia and will be replaced by transparently disclosed new packages including mobile data size, free minutes of on-net calls and SMS, as instructed by the Association of Telecommunication, with all mobile operators required to discontinue existing packages by 1 January 2023
- Following the peaks of the pandemic, most employees returned to the office full-time, with Smart Axiata adopting a flexible hybrid working culture

### Awards Highlights

#### 2022 Frost & Sullivan Asia Pacific Best Practices

- Cambodia Mobile Service Provider of the Year
- Cambodia Mobile Data of the Year

#### Cambodia's General Department of Taxation

- Gold Award for Tax Compliance 2022

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Partnered with global fleet management solution provider Cartrack to offer fleet management service for enterprises
- Introduced the Smart Laor! bundle package in compliance with new regulations, providing customers with transparent benefits such as generic internet surfing, social media and mobile gaming that can be accessed without data charges, with the option to switch between tariffs and retain unused benefits through the self-care app SmartNas
- Launched Leng Centre as a standalone project which transitioned from the SmartNas application
- Organised the first-ever international eSports competition in Cambodia called Smart Kingdom of Legends – SEA rivals, which was a success, featuring the largest prize pool Cambodia has ever seen
- Continues support of Cambodia's National Games for the third consecutive time
- Introduced a campaign encouraging subscribers to register their SIM cards to enhance security and protect their personal profile, while also providing them with additional benefits
- Rolled out the Smart Guardian Newsletter to advocate awareness on data privacy and data protection
- Held Compliance Month, focusing on business ethics and compliance with a particular emphasis on risk management, anti-bribery and anti-corruption
- Strengthened integrity and accountability through setting up the Speak Up Channel, an anonymous whistleblowing channel that allows individuals to report any suspected misconduct or illegal/unethical behaviour without fear of retaliation or unfair treatment

#### Operational Excellence

- Leveraging digitisation and analytics by using an open source called DataHub in Meta Data Management in workflow organisation, especially with automatic execution, standardisation and presentation
- Collaborated with Cambodian-born developers to launch six seasonal mobile games on SmartNas app
- Cambodia's Top 50 by Pleng, Smart's music streaming app, showcases the most streamed songs weekly and launched the Pleng Cambodia Top 50 Tour Concert which is set to take place across the country

#### Structural Changes

- New CEO appointed on 16 January 2023
- The first female Chief Financial Officer was appointed in April 2022

### Outlook for 2023 and Beyond

- Prioritise customers and strive to offer innovative and value-added products and services to meet market demands by continuously looking for opportunities to improve
- Transitioning from CSR to ESG to advance an inclusive digital future by building a thriving ecosystem that drives the digital economy and supports society through responsible citizenship and outstanding governance
- As a subsidiary of a conglomerate, Smart aims to set an example of good corporate citizenship that will have a positive impact on foreign direct investments (FDI) and make impactful changes in the communities through its ongoing sustainability initiatives
- Contribute to the nation's goal of becoming a middle-income country by 2030 and help advance its 2021-2034 Digital Economy and Society Policies
- Although intense competition among telcos in Cambodia makes it unlikely that there will be significant changes to the telco outlook in 2023, the upcoming election in July 2023 may have a slight impact on the industry
- Ongoing discussion on tariff prices and plans for consumers in the market suggests that there may be additional changes to tariff plans in the future
- Government is currently drafting policies and engaging in discussions in preparation for 5G technology implementation, which may include testing at some point along the process

# NCELL AXIATA REVIEW



**Country:**  
Nepal

**Year of Investment/ Shareholding:**  
2016/80%



**Nature of Business:**  
Mobile Telecom Operator

**Customers:**  
17.1 million

**Technology Deployed:**  
Mobile:  
GSM, EDGE, 3G/HSPA+

**No. of BTS:**  
2G : 3,998  
3G : 3,233  
4G : 3,983

**Network Coverage:**  
(by population coverage)  
2G : 92.47%  
3G : 43.77%  
4G : 88.31%

Scan QR code to visit Ncell's website



**Andy Chong**  
CEO/MD of Ncell Axiata

In 2022, we gained a renewed perspective and found more reasons to be optimistic. Our ongoing efforts to accelerate our digitalisation journey have continued to yield positive results, positioning our business for a brighter future. We are confident that 2023 will present even more opportunities for growth, as our key digitalisation efforts continue to gain momentum and deliver good outcomes across multiple fronts.

Ncell continues to maintain its position as the market leader in terms of RMS, with a steady brand equity score that surpasses that of market players, as evidenced by our positive rNPS. This gives us a solid foundation to move forward with optimism into 2023. We continue to build on this momentum and work collaboratively to achieve our strategic priorities as part of our Recovery & Resilience journey for 2023 and beyond.

We remain committed to driving profitable revenue growth while retaining our leadership position in the market. We have also successfully implemented various social initiatives with the underlying objective of giving back to the community we operate in.

## Financial Review

- Continued to be challenged by revenue and cost pressures
- Revenue ex-device down by 4.0%, impacted by lower core -3.1% and lower International Long Distance (ILD) -8.1%
- Revenue decline flowed through to EBIT -25.2%, impacted further by an increase in direct and administration costs
- PATAMI slid by 22.6%, cushioned by lower taxes and recognition of higher forex gain
- YoY Blended ARPU declined mainly due to regulatory changes, shifts in customer behaviour towards FBB, and coverage and network-related challenges

<b>Revenue</b> (NPR billion)	2021	41.5	2022	39.8	-4.0%
<b>EBITDA</b> (NPR billion)	2021	24.1	2022	21.1	-12.6%
<b>EBITDA Margin</b> (%)	2021	58.2%	2022	53.0%	
<b>PATAMI</b> (NPR billion)	2021	6.7	2022	5.2	-22.6%
<b>Customers</b> (million)	2021	16.8	2022	17.1	
<b>Blended ARPU</b> (NPR)	2021	208	2022	189	
<b>Smartphone Penetration</b> (%)	2021	65.6%	2022	71.0%	
<b>Data Usage</b> (Per Data Sub Per Month) (GB)	2021	3,411	2022	3,554	

## ESG Highlights

- Collaborating with Huawei and ZTE to reduce steel usage in towers and incorporate solar power into Ncell's network to reduce carbon emissions
- Supported in developing a mobile app 'Greenway' to encourage cycling under Ncell's Go Green initiative
- Contracted social enterprise Doko Recyclers for sustainable dry waste management and resource reuse

## Social

- Promotes fair hiring, employee welfare, DEI and women's empowerment
- Upgraded digital talent development platform from TAP to TalentPulse for identifying and developing talented employees under AXcelerators and Ncell Accelerated Development Programme (NADP)
- Supported employees during COVID-19 with vaccines, health monitoring and medicine delivery, unlimited data, safety protocols for business continuity and community initiatives
- Improved customer satisfaction with high NPS and CSAT score (+9), converted 70% detractors to promoters, achieved 61.06% complaint resolution rate and increased CX Leap Score with digital initiatives

## Governance

- Established risk and compliance committees for governance oversight. Implemented Risk Management, Anti-Bribery and Anti-Corruption (ABAC) policies and procedures, rolled out VITAL System for Gift, Donation and Sponsorship (GDS) declaration
- Prioritised data privacy and cyber security, individual privacy requests, with policies, procedures and risk assessment/ awareness programmes
- Maintained neutral governance stance and prioritised compliance with local laws and regulations, collaborating with government and regulators for socioeconomic development

## NCELL AXIATA REVIEW



### Operating Environment

- Nepal's mobile telecom industry faced revenue decline post-COVID-19 due to economic challenges, an 81% drop in interconnect pricing regulation and aggressive competition from fixed players; however, mobile broadband (MBB) and Home proposition experienced data revenue growth
- Mobile data usage grew moderately due to stable pricing and data pack adoption, but changes in telecom service tax, high fixed penetration from ISPs and smartphone import restrictions affected MBB's growth
- The Government provided clarity on the telecom license/ spectrum renewal process through the telecom asset management act with the Amendment of the Telecom Act or implementation of Asset Management Rules to protect the license to operate
- Industry voice and ILD revenue continued to decline due to higher OTT adoption, while decline in voice revenue intensified due to changes in interconnect regime. On a positive note, ILD revenue decline stabilised as outflow of migrant workers increased following relaxation of COVID-19 restrictions

### Awards Highlights

#### Ookla Speedtest Awards 2022

- Fastest Mobile Network in Nepal for Q1-Q2 2022

#### Top 10 Contributors to the Social Security Fund (SSF)

- Ministry of Labour, Employment and Social Security, Government of Nepal

#### Asian Telecom Awards 2022

- Telecom Company of the Year
- Infrastructure Initiative of the Year

#### CMO Asia Awards 2022

- Marketing Campaign of the Year - Migrant Ecosystem

#### HR Meet 2022

- Excellence in Employer Brand Award 2022

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- To adapt to new norms in telecommunications, initiatives were undertaken such as boosting digital recharge to 36.9% in 2022 from 29.5% in 2021, improving the single customer app for a higher adoption rate, launching an incentive-based programme to increase Sales App usage and implementing major features of Digital Dynamic offers in Digital Telco enabler
- Deployed analytics-driven business decisions as part of transforming business operations and utilised advanced analytics techniques to analyse Sales, Network and Product performance for data-driven strategy building
- Incremental data revenue was generated by prioritising data-driven activities such as Home & Away and Consumer products, while maintaining the number of data power users in 4G coverage

#### Operational Excellence

- Continued to explore new growth areas by capitalising on the resurgence of digital services and growing Home business by 4x and Enterprise by 1.3x
- Efforts to maintain profit margins involved major initiatives to optimise capex and opex savings, resulting in a successful reduction of NPR900 million in opex and NPR2,829 million in capex
- Improved 2pp in NPS through customer engagement efforts
- Collaborated to drive synergies from Collective Brain efforts to explore new engagement models in network, IT and finance
- Progressed digitisation efforts as evident in the operationalisation of organisation-wide data lake, advancement in digital assets such as integrated dashboards and the implementation of AI and ML use cases enabling real-time decision-making. These efforts were reflected in Ncell's Digital and Analytics Maturity scores/report/metrics
- To safeguard ILD revenue, the ILD business was prioritised and executed as an Immediate Focus Area project, with a strategy implemented to concentrate on deals with major markets such as Qatar, United Arab Emirates (UAE) and Saudi Arabia

#### Structural Changes

- Consolidation remained challenging in absence of any clear M&A regulations

### Outlook for 2023 and Beyond

- Focus on high value customer growth through acquisition, experience and base upgradation initiatives with advanced base movement prediction modelling
- Drive growth of active customer base through churn management, engagement in new coverage areas and win-back initiatives
- Leverage the accelerated digital adoption and aim to strengthen the digital recharge ratio that can lead to better customer experience
- Control expenses by maintaining sales and marketing expenses and focus on digital marketing initiatives to reach wider audience
- Improve 4G coverage and quality by extensively rolling out services in third quarter 2023
- Aim to simplify portfolio to provide better customer experience and increase revenue per user
- Use analytics-driven business decisions by implementing AI/ML use cases, such as sales productivity enhancement, segment dropper prediction model and next best offers
- Grow the Home and Enterprise businesses by 80% and 25% respectively, and expand the business portfolio by entering into partnerships with fixed broadband and DFS provider
- Implement organisation-wide cross-functional initiatives to improve profitability via opex and capex optimisation, and reduce cost/GB to increase data profitability
- Continue collaboration on projects in procurement, analytics and network/IT, and monetise digital assets like Service Concession Arrangements and Sale and Repurchase Agreements to drive revenue and Chatbot to reduce opex
- Focus on upskilling resources and data democratisation, leverage analytics knowledge sharing within and outside the organisation
- Explore strategies to protect ILD business with minimal degrowth YoY, continue focus on commitment-based deals and major markets, and plan for events in different markets to win back ILD customers
- Explore potential consolidation opportunities given the new telecom assets management law introduced and collaborate with cross-industry players to create synergy and develop new revenue streams
- Focus on high-value customer growth through acquisition, experience and base upgradation initiatives with advanced base movement prediction modelling
- Drive growth of active customer base through churn management, engagement in new coverage areas and win-back initiatives

# LINK NET REVIEW



Reporting period for Link Net as a subsidiary of Axiata Group from date of acquisition on 1 July 2022

**Country:**  
Indonesia

**Year of Investment/ Shareholding:**  
2022/Axiata - 99.52%;  
XL Axiata - 19.22%

**Nature of Business:**  
Internet Service Provider

**Customers:**  
0.8 million

**Technology Deployed:**  
Fixed-line Fibre Broadband

**Network Coverage:**  
(by population coverage)  
3.1 million Homes passed



Scan QR code to visit Link Net's website



**Marlo Budiman**  
President Director &  
CEO of Link Net

The year 2022 marked a significant milestone for Link Net, as it became a part of the Axiata family through an equity interest acquisition. We expect this move to allow us to expand and strengthen our reach in Indonesia's growing enterprise market.

The combined positions of Link Net and XL Axiata in wireless communication services, sharing of backbone and transmission networks, and extensive relationships with customers in Indonesia will provide immediate synergies. We can now offer residential and enterprise clients more appealing converged fixed-line broadband and mobile service propositions.

Link Net has invested in digital applications to enhance distribution channels, improve customer experience and increase customer satisfaction. Our distribution team is equipped with a comprehensive digital sales application providing real-time information on the product suite, pricing and promotions, leading to more effective business planning and extensive analytics to enhance the product suite.

Technicians are equipped with a digital tool to troubleshoot at a customer's premise, improving the customer experience while reducing operational costs. Customers can seamlessly use entertainment products through digital self-service applications and e-wallet payment options available on the My FirstMedia self-care application.

We will continue investing in digitising our business to enhance customer experience, distribution and cost management. We aim to become a leading player in Indonesia's enterprise market and provide innovative digital solutions to customers.

## Financial Review

- Revenue decreased by 2.1% due to lower demand for residential Internet and Pay TV services as work-from-home mode reduced in the post-COVID-19 environment, leading to lower ARPU of IDR337,000 (FY2022) compared to IDR348,000 (FY2021)
- EBIT declined by 54.3% and PATAMI correspondingly declined by 72.8% due to increased capex investment leading to higher borrowings and depreciation
- 3.1 million home passes with the addition of 249,000 home passes



## ESG Highlights

**Environmental**

- Implemented energy savings initiatives through employee education and facilities management practices, promoting efficient usage of electricity, water and paper

**Social**

- Implemented a hybrid working system that allows employees to work from any Link Net premises or from home, while also encouraging them to manage their productivity
- Promoted DEI and raised awareness through programmes such as 'Wanita Tangguh', 'Inspiring Leader' and 'First Squad Star' programmes
- Given the climate following the pandemic, conducted Care Talk Webinars to promote employee wellness and provide updates and information on the importance of health

**Governance**

- Implemented various policies and practices to ensure ethical and responsible conduct within the organisation, including the Anti-Bribery and Anti-Corruption policies for employees and suppliers
- Emphasised value of Uncompromising Integrity by conducting workshops for employees on integrity, ethics and compliance
- Policies in place to prevent forced and child labour in Link Net's supply chain
- Implemented a comprehensive supplier code of conduct that includes compliance with laws, anti-bribery and anti-corruption policies, privacy and information security, respect and diversity, and compliance with labour regulations
- Adopted several ISO standards to ensure the highest levels of quality safety, and security across our operations to maintain a consistent level of excellence

## LINK NET REVIEW



### Operating Environment

- Continued trend of YoY increase in customers' data usage
- Link Net's provision of unlimited fixed-line Internet has allowed customers to utilise their Internet connections for a variety of purposes, including education and entertainment, without download restrictions

### Awards Highlights

#### Indonesia Human Resource Awards 2022, Warta Ekonomi

- The Best HR Management for The Outstanding Quality and Adaptive Human Resource Ecosystem Through Digital Implementation in Telecommunication and Media Services Industry category

#### Indonesia Millennial's Brand Choice Awards 2022, Warta Ekonomi

- Best Millennials' Brand Choice 2022 in TV Cable category for First Media brand
- Outstanding Millennials' Brand Choice 2022 in Internet Provider category for First Media brand
- Very Good Millennials' Brand Choice 2022 in Internet Provider for Link Net brand

#### Indonesia Customer Experience Champions (ICXC) 2022, SWA Media Group & Business Digest

- Best Customer Experience Team for First Media brand

#### Best Digital Brand Award 2022, Zeals dan Media Group Network

- Best Digital Brand Award 2022 in Internet Provider category for First Media brand

#### Contact Center Asia Pacific (CC-APAC) Awards 2022, Contact Center Associations of Asia Pacific

- Contact Center Operations (Gold)

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- As new majority shareholders, Axiata and XL, will combine synergy by sharing extensive experience in growing telecommunications assets to offer converged fixed-line broadband and mobile service packages in Indonesia's underpenetrated high-speed broadband market
- Expanded its network to an additional 249,000 homes passed, bringing its total network size to over 3.1 million homes passed, spanning across 16 cities, including two new cities, Sukabumi and Purwokerto
- Prioritised productivity and employee satisfaction by adopting remote working policies since the pandemic which has continued to be maintained, having resulted in cost and time savings for employees
- In 2022, Link Net maintained its position as the provider with the leading ARPU in Indonesia by offering a bundled Internet and content service with unlimited downloads

#### Operational Excellence

- Utilised and invested in digital tools for customer acquisition, product purchases and upgrades, technician troubleshooting and improving overall customer experience
- Implemented SAP - BRIM as part of its operating system to integrate information across divisions, allowing for more accurate, real-time processing and better analysis of information
- Around 96% of Link Net's customers are bundled to both Pay television and Internet, with an ARPU of IDR337,000 per month in FY2022

#### Structural Changes

- Strengthened its targeted customer profile by emphasising customers who value and are willing to pay for premium high-speed broadband and Pay TV services, positioning the company's portfolio to cater to higher quality customers and increase customers' lifecycles

### Outlook for 2023 and Beyond

- Based on historical trends, customer data consumption expected to increase and demand for unlimited fixed-line broadband will continue to rise
- Link Net poised to capitalise on rising demand for unlimited fixed-line broadband without data restrictions
- Link Net aims to maintain its position as the second largest provider of fixed-line broadband in Indonesia and have a market-leading ARPU in line with its quality product and service offering
- Link Net management will continue to work with both XL Axiata and Axiata to maximise cost efficiencies and revenue enhancements throughout Link Net's business in 2023 and build on existing synergies
- Link Net plans to optimise the use of SAP-BRIM to streamline its operational processes, while continuing to digitise all parts of its business to improve customer experience and manage costs
- Link Net plans to accelerate network expansion which will increase number of greenfield areas available for the sales team to canvas and expect to see an acceleration of its subscriber base

# BOOST REVIEW



**Year of Investment/ Shareholding:**  
2017/78.12%

**Nature of Business:**  
Full spectrum fintech platform



Scan QR code to visit Boost's website



**Sheyantha Abeykoon**  
CEO of Boost

In 2022, Boost has been firmly moving towards the digital banking model. A key watershed moment on this journey was winning the digital bank license in Malaysia, a culmination of three years of effort put in by joint teams. There were many other validation points throughout the year, such as being the first fully digital Southeast Asian lender to receive an investment-grade A1 rating from Risk Assessment Model (RAM) Ratings - an independent validation of the quality of our lending book. We were also awarded multiple accolades and recognition from the Malaysian Technology Excellence Awards 2022, Putra Aria Brand Awards 2022 and Platinum Business Awards 2022.

The path to profitability and value creation remains intact, as seen in our financial performance. This is a journey that we embarked on almost three years ago using a multi-pronged approach; (1) making sure we have products that are unit-economics-positive in our portfolio, (2) shifting our portfolio focus and competition to more profitable and higher growth products, such as digital lending, (3) focusing on a lean organisational structure that continues to foster our start-up DNA, while having enough levers to scale as we grow the business.

## What We Do

Boost is the regional full spectrum fintech arm of Axiata that financially empowers millions of customers, both users and merchants, across seven countries in Southeast Asia. Through its ever-expanding and holistic fintech ecosystem spanning its all-in-one fintech app, merchant solutions, AI-based lending business and cross-border payment platform, Boost continuously paves the way for unstoppable growth and greater financial inclusion through the power of technology and artificial intelligence. Having successfully ignited confidence in Malaysians adopting digital financial solutions for over five years now, Boost remains at the forefront of the industry through innovative fintech solutions that leverage AI to fuel winning ambitions. Our overall business continued to see strong growth as Boost achieved significant milestones, such as securing an investment-grade A1 rating from RAM for our lending business, winning the Digital Bank License in Malaysia and completing our organisation-wide brand refresh across the region. As we chart new frontiers, our refreshed brand reflects our relentless ambition to break boundaries and empower everyone across the region with accessible and simplified digital financial solutions.

## Financial Review

- Revenue surged 87.5%, driven mainly by increase in consumers for its all-in-one fintech app and growing AI-based lending business
- EBIT improved by 18.4% as revenue growth was offset by higher opex
- PATAMI eased down by 3.1% in absence of RM27 million grant from MDEC in FY2021
- Gross Transaction Value (GTV) rose 21.2% to RM6.1 billion, while Boost's all-in-one fintech app consumers grew 7.4% YoY to 10.4 million and Malaysian merchant touchpoints grew 26.4% to 555,000

## ESG Highlights



### Environmental

- Commenced assessment of its exposure to climate-related risks and opportunities as part of the TCFD initiative
- Addressed climate-related concerns, such as flood preparedness, in its strategy, emergency planning and Business Continuity Management (BCM)



### Social

- Emphasised DEI through engagement initiatives, including 'Be Unstoppable' and 'One Team One Dream', striving for diverse demographics and experiences
- Provided aid to employees who were affected by floods through the Boost Flood Relief Team led by Boost volunteers



### Governance

- Established Group-wide Enterprise Risk Management and BCM policies for consistent internal matrix and standardisation of risk management and practices
- Adopted Anti-Bribery and Anti-Corruption (ABAC) policy and implemented end-to-end ABAC compliance evaluation and monitoring programmes
- Strengthened and enforced third-party risk management from a context of business resilience and business integrity compliance
- Reformation of risk organisation structure into the central hub with shared resource structure, centralised advisory and oversight functions to support uniformity in risk management practices, ABAC compliance actions and greater use of resources specialisation
- Centralisation of the regulatory and compliance department to ensure standardisation in compliance practices, with a focus on the end-to-end management of anti-money laundering and countering the financing of terrorism (AMLCFT) measures and cultivation of higher levels of proactive engagement with regulatory institutions
- Introduced an enhanced level of training and awareness on AMLCFT, including the launch of an e-learning module to be completed by all employees and senior management and training sessions for the Board of Directors

## BOOST REVIEW



### Operating Environment

- Fragmented consumer credit regulation landscape in Malaysia being addressed by the Central Bank of Malaysia's drafting of a Consumer Credit Act (CCA) while existing licenses for moneylenders like Boost Credit will continue to operate under current legislation
- Consumer Credit Oversight Board (CCOB) will gradually assume consumer credit regulatory functions in phase two of CCA, including those of Boost Credit
- Indonesia is tightening its regulations on peer-to-peer (P2P) lending industry, while the increase in the interest rate set by Bank Indonesia may affect cost of fund
- Five winners of Malaysia's digital bank license are pursuing different strategies for phase one, given their different starting points, with some iterating on existing products and others focusing on building out base capabilities in digital banking
- In Indonesia, emerging digital banks affiliated with competitors may offer lower cost of funds
- Acquisition of an Indonesian P2P digital financing license holder in 2021 resulted in over USD200 million in loans disbursed since its launch three years ago, making Boost the eighth-ranked fintech player out of over 100 in Indonesia

### Awards Highlights

#### Malaysia Technology Excellence Awards 2022

- Fintech – Financial Technology Category

#### SME Platinum Business Award 2022

- SME Supporter Award

#### Putra Aria Brand Awards 2022

- Bronze: E-commerce Category

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- One of five consortium groups to be awarded the Digital Bank license in April 2022
- Undertook restructuring efforts, including aligning the platform engineering team to consolidate support for Boost Life, Boost Biz, Boost Credit and Boost Connect
- Scale its ecosystem model by adopting a Central Customer Data Platform, resulting in major cross-selling exercises and increase in overall active users/ merchants in Malaysia served by multiple entities
- Refreshed the Boost brand in September 2022 with the goal of strengthening its proposition as a leading regional full spectrum fintech brand
- Boost Connect's two-year transformation programme Camelot (2021-2022) has seen the organisation further enhance and adopt an agile way of working, with five cross-functional teams defining and driving product roadmaps, and a Camelot Guild providing support and guidance
- Launched a closed-loop ecosystem buy-now-pay-later (BNPL) product within the Boost Life mobile application
- Launched Boost Kedai, a B2B e-commerce platform that surpassed targets with 1.1x successful merchants and Boost Indonesia rolled out Boost Tempo to capture market share in the lending industry

#### Operational Excellence

- Continued to operate on a Unit Economics positive level for payments and lending
- Consolidating resources and renegotiating terms at Group-wide level to increase the contribution margin across all products
- Boost Connect turned PAT positive for the first time in 2022. This was achieved due to higher Revenue (increase by 39% YoY). Opex was maintained 33% below target through continued cost optimisation and other cost reduction initiatives in 2022
- Currently integrating existing technical capabilities such as customer relationship management (CRM) and central data repository, to encourage collaborative activities to perform at scale
- Established a succession planning framework for mission-critical positions and developed a 2:1 ratio of 'ready now' and 'ready soon' successors for at least 75% of critical leadership positions, with career path outlines and development plans in place

#### Structural Changes

- Despite the market downturn, received multiple term sheets from investors
- Improve capital flow by securitising loans to banks/investors In Indonesia

### Outlook for 2023 and Beyond

- Aiming to launch its digital bank, leveraging its strengths in MSME and retail to develop its product suite while exploring growth in the Banking-as-a-Service business direction
- SME lending will continue to be strengthened by relying on ecosystem-linked merchant partners and improving scalability, with efforts including simplifying product portfolio for mass adoption and enhancing online loan application user experience
- Scale the lending business sustainably for retail and MSMEs by developing a product and technology roadmap, expanding lending portfolio in Malaysia, Indonesia and other markets, and improving business processes while continuously upskilling the organisation
- Targeting geographical expansion in East Indonesia
- Enhance BNPL by offering additional tenure options, along with virtual card
- Boost Connect is pivoting from the staple Direct Carrier Billing and API solutions provider to offering payment gateway and lending solution in the region. Boost Connect will be launching lending solutions in Cambodia in 2023
- Shift towards a lean business organisation that scales resources across markets with focus on continuous investment in human capital to enhance knowledge and capabilities in machine learning, cyber security, risk management and product development
- Aggressively scale lending business while optimising cost modules, growing contribution margin at Unit Economics level, maintaining tight focus on non-performing loan (NPL) records and seeking more economical cost of funds
- Enable cross-entity data consolidation to drive better strategic decisions, improve productivity, work towards a unified customer data platform, automate manual data processing, develop a recommendation engine to personalise relevant offers
- Build a lender dashboard and move customers to a new loan-origination system in Indonesia

## ADA REVIEW



**Year of Investment/  
Shareholding:**  
2014/63.47%

**Nature of Business:**  
Integrated growth partner  
that strives to grow clients'  
business with our growth  
mindset.



**Srinivas Gattamneni**  
CEO of ADA

ADA maintained its sustainable, profitable growth for the fourth consecutive year as we continued to support our client's goals to drive e-commerce penetration in Southeast Asia. We added marquee clients to our roster in 2022, including Singlife Philippines, ICBC, Vivo, Colgate-Palmolive, Suntory, JCL, Innocean Indonesia (a subsidiary of Hyundai Motor Indonesia), as well as large hyper-scalers, including the Alibaba Group.

Our client delivery excellence was validated with our inaugural global recognition of being listed as Adweek's Fastest Growing Agency 2022 and the only Southeast Asian agency to make the list. We also made it to the Top 10 of the Large Agencies list as the only Data and AI company. Our total industry awards and recognitions for 2022 are 87.

To further enable growth for our clients, we have launched new capabilities, including Content at Scale, WhatsApp for Business, e-commerce Insights, Customer data platform/tech implementation and telco data monetisation. Our acquisition of SingPost's e-commerce business in 2022 has also solidified our presence in the e-commerce technology space.

We have expanded our partner ecosystem to better serve our clients, with partners across Creative (Celtra, Rocketium), e-commerce (Omcom, Hatio), messaging business (WhatsApp for Business, LINE, Ethio Telecom, Metfone, Viettel, Mobifone) and enablers (Facebook, Google). We remain committed to providing innovative solutions and excellent service to our clients and partners.



Scan QR code to  
visit ADA's website

### What We Do

Operating across 10 markets in South and Southeast Asia, ADA provides services that enable enterprises and brands to drive top line growth through digital marketing and sales transformation across Asia via three data-driven service segments; Marketing, e-Commerce and Customer Engagement Solutions.

ADA is creating value for brands across its footprint by:

- Helping businesses achieve their data and digital marketing maturity
- Using data, insights and cross-domain teams to catalyse business growth for our clients
- Integrating tech, media and creative to drive meaningful business outcomes with digital marketing
- Helping brands deliver seamless e-commerce operations through our end-to-end e-commerce solution – digital marketing, e-commerce insights, customer service, creative automation, and supply chain and logistics
- Guiding businesses in their digital transformation journey through the relevant marketing technology (MarTech) solutions
- Deriving business insights from the telco and mobile ecosystem to create enhanced customer experiences
- Delivering business messaging solutions through our strategic partnerships with top OTT platforms in the region

### Financial Review

- Revenue eased by 1.7% due to lower clients' media spending, partially offset by strong growth in Customer Engagement and e-commerce solutions
- EBIT grew 30.3% due to higher gross margin extraction
- PATAMI surged by 49.8% to RM80 million and enters 4th year of profitability

### ESG Highlights



#### Environmental

- Promoted the segregation of waste with separate bins placed in the office, to inculcate the habit of waste separation and recycling



#### Social

- ADA values and promotes equal opportunities in the workplace, with a gender distribution of 53:47 (Female:Male) in the overall workforce, 41:59 in senior leadership and 54:46 in new hires for 2022, and celebrated International Women's Day creatively with 'Breaking the Bias' theme
- Prioritised employee health, safety and wellbeing through hybrid work arrangement of WFH or WIO, provided lunch arrangements to ensure employee safety and changed office configurations to have more communal meeting areas
- Bi-annual Net Promoter Score (NPS) conducted to capture clients' feedback, with 4 out of 5 strongly indicating they would recommend ADA to industry peers in the 1H2022 survey



#### Governance

- Completed and implemented ABAC controls, policies and procedures in all markets
- Strengthened cyber security with NIST controls implemented and audited, with Maturity levels for NIST on target for the year



## ADA REVIEW



### Operating Environment

- While offline purchasing behaviours have begun to pick up, they have yet to return to pre-pandemic levels; however, the e-commerce space shows no sign of slowing down
- Intense competition within the digital media space resulted in pricing pressures, with many major brands holding back on marketing investments to observe real business impacts of the pandemic
- More brands are navigating the transition from AdTech to MarTech and aggressively investing in tech stack as the world approaches a cookieless future in 2023; MarTech enables consolidation of first party-data and unlocks learnings from a single source of truth
- Tech stacks consolidation is necessary due to the overwhelming number of touchpoints to personalise customer experience, which can be effectively replaced with the right platforms, workflow and automation technology for better business efficiency
- ADA's end-to-end solution range would mean competing at par with major network agencies, solution providers, data and analytics players and e-commerce enablers

### Awards Highlights

#### Adweek's Fastest Growing Agencies 2022

- Top 75 Fastest Growing Agencies (35th)
- Top Large Agencies (7th)

#### GRADUAN Brand Awards 2022

- Malaysia's Most Preferred Employer 2022 (Data Analytics)

#### Graduate's Choice Award 2022

- Most Preferred Graduate Employers 2022 (Advertising)
- Most Preferred Graduate Employers 2022 (Analytics)

#### Campaign Asia Agency of the Year 2022, APAC

- Southeast Asia Independent Agency of the Year (Winner)
- Southeast Asia Customer Engagement Agency of the Year (Silver)
- Southeast Asia Data Analytics Agency of the Year (Silver)
- Southeast Asia E-Commerce Agency of the Year (Silver)
- Southeast Asia Performance Agency of the Year (Bronze)
- Southeast Asia B2C Marketing Agency of the Year (Silver)
- Southeast Asia Consultancy of the Year (Silver)

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Continued growth despite dampened industry growth and economic headwinds
- Expanded services by launching Tech Solutions to help clients navigate transition from AdTech to MarTech
- Launched Digital Shelf to improve e-commerce, clients' decision-making process with growth analytics and digital insights
- Launched Content House to enable content creation at scale, speed and volume for clients
- Established a new partnership with LINE in Thailand as an official Business Service Provider partner
- Extended partnership under Customer Engagement/Global Messaging with new mobile network operators (MNOs) such as Ethio Telecom, Metfone, Viettel, Mobifone, and established new strategic Meta and Google partnerships

#### Operational Excellence

- Implemented initiatives on cost savings and financial efficiencies in terms of procurement and billing, and finance
- Strengthened digitisation efforts by automating key processes across HR and Finance
- Expanded data and analytics capabilities by adding 3.1 billion data points to **XACT** to glean consumer insights
- Expanded our policies to better support women in the workplace, in efforts to drive gender equity and improve benefits that reflect the gender balance
- Drove process improvement initiatives across the organisation for operational efficiency

#### Structural Changes

- Acquired SingPost's e-commerce unit to bolster end-to-end e-commerce solutions across all 10 markets

### Outlook for 2023 and Beyond

- Integrate services across ADA's Technology Solutions division, Marketing Solutions, Business Insights, e-commerce enablement and Customer Engagement to provide more comprehensive and integrated solutions to its clients following the expansion of its services in 2022
- Deepen ADA's tech implementation capabilities to help clients' digital maturity advancement
- Explore expansion into new markets in APAC through partnerships, organic growth and acquisitions
- Explore opportunities for in-market consolidation and to acquire new capabilities to unlock even more digital solutions
- Scale growth areas and invest in emerging ones related to analytics, commerce, customer experience and marketing to provide integrated digital growth solutions to ADA clients for continued growth performance
- Focus on innovation, productivity and building a sustainable growth engine through new product launches and geographical expansion
- Expand on cost savings and financial efficiencies from process improvement/ automation initiatives
- Strengthen talent pool by building and developing digital talents through structured training programmes for employees to stay ahead of the curve in areas of technical, interpersonal and industry knowledge

# EDOTCO GROUP REVIEW



**Country:**  
Malaysia

**Year of Investment/Shareholding:**  
2012/63%

**Nature of Business:**  
Telecommunications Infrastructure and Services



Scan QR code to visit EDOTCO's website



**Mohamed Adlan Ahmad Tajudin**  
CEO of EDOTCO Group

As EDOTCO commemorates its 10th anniversary, we are proud to have established a significant presence in nine countries across South and Southeast Asia. Today, we stand as the sixth largest global telecommunications TowerCo, committed to bridging the digital divide in the region.

Our recent successful acquisition of telecommunication towers in the Philippines and Indonesia marks a significant milestone in our growth story. With over 58,000 towers in our regional portfolio, we are closer to achieving our mission of providing reliable and accessible digital connectivity to all.

We launched our inaugural Sustainability Blueprint, reinforcing our commitment to ESG and sustainable connectivity across Malaysia and Asia. Our renewed brand purpose of 'Shaping Future Connectivity' and refreshed brand pillars of Connecting the Unconnected, Next Generation Infrastructure, Sustainable and Responsible Solutions and Bionic Organisation culture, will guide us as we strive towards realising a 5G future and accelerating equitable access to digital connectivity across the region.

Overall, 2022 has been a year of growth for the EDOTCO Group and we look forward to continuing our efforts to shape a sustainable and connected future.

	Towers Owned	Towers Managed	Tenancies	Tenancy Ratio
Group	32,689	25,445	53,507	1.64
Malaysia	6,124	15,336	13,843	2.26
Indonesia	761	166	907	1.19
Bangladesh	15,223	3,775	23,900	1.57
Myanmar	2,126	945	4,255	2.00
Cambodia	3,189	4,483	4,518	1.42
Sri Lanka	683	740	769	1.13
Pakistan	2,234	-	2,952	1.32
Philippines	2,335	-	2,349	1.01
Laos	14	-	14	1.00

### Financial Review

- Revenue growth of 25.4% driven by significant increases in organic contribution with Built to Suit (B2S) roll out and co-location tenancies, and inorganic tower acquisition
- EBITDA increased by 33.0%, driven by revenue flow-through and lower staff cost, offset by higher rental cost and D&A
- PATAMI declined by 51.0% impacted by forex loss, higher net finance cost to fund acquisitions and one-off regulatory fees



### ESG Highlights



#### Environmental

- Developed Environmental Policy Statement, approved by the Board in February 2022, outlining principles for responsible and sustainable business activities
- Sustainable waste management guided by the Green Framework and Supplier Code of Conduct to minimise solid waste generation through source reduction, reuse and recycling to avoid landfill dumping; collected and recycled 489.1 tonnes of e-waste and 761.0 kg of recyclable items
- Obtaining Green Building Index (GBI) certification for Laman EDOTCO that indirectly reduces Scope 1 & Scope 2 emissions



#### Social

- Launched a Virtual Reality TowerCo101 training for employees, providing a virtual experience of tower operations, especially useful for field employees working at heights of 60 metres and above
- Introduced EDOTCO Listen Programme via a digital tool (Incogneato) to enable employees to provide feedback anonymously
- Practices a non-discriminatory recruitment and remuneration policy, promoting gender equality, with a female-to-male ratio of 0.97 to 1.0
- Implemented initiatives to improve sustainable development through three strategic programmes: Tower2Power, Tower2Water and Tower2Community, which provide electricity, clean water and disaster relief
- All major subsidiaries have ISO45001 and secured OHS National Award for Malaysia Telecommunication Industry



#### Governance

- We completed all initiatives under the Integrity and Anti-Corruption Plan (IACP), obtained the ISO37001 Anti-bribery Management System certification and introduced new initiatives to strengthen our data privacy and cyber security management

## EDOTCO GROUP REVIEW



### Operating Environment

- Aggressive expansion by other TowerCos via new built and tower acquisition
- MNO consolidation took place in Malaysia that is likely to impact future orders and existing tenancies
- Policies and regulatory reforms in some operating markets due to leadership changes in the regulatory bodies
- Structural headwind to the macroeconomics and change of leadership in Sri Lanka, have put the review of Telecommunications Act and licensing reform on the back-burner
- Commitment to delivering targets under the Malaysia Digital Economy Blueprint intact under new government
- Stronger enforcement by regulators in Cambodia, which required EDOTCO to enhance its processes and procedures, and in Malaysia with the further tightening of wholesale access regime
- As a Significant Market Power (SMP) licensee in Tower Sharing Market, EDOTCO has been subjected to glide-path restriction on B2S and sale and lease back (SLB)
- Introduction of Prakas on Quality of Services by Telecom Regulator of Cambodia has been a game-changer to TowerCos with more B2S and/or co-location will be required to satisfy the requirement
- Secured two Klasifikasi Baku Lapangan Usaha Indonesia (KBLI) 68111 and 70209 which will enable EDOTCO to acquire, own and operate tower infrastructure business and operate specific Managed Services activity in Indonesia
- Secured a Commencement Certificate (CC) for Telecom Infrastructure Provider (TIP) and Telecom Tower Provider (TTP) for Gilgit-Baltistan, Pakistan which enables EDOTCO to launch fibre transmission business nationwide and own and operate tower business in the Gilgit-Baltistan administrative region

### Awards Highlights

#### Malaysia Technology Excellence Awards 2022

- Infrastructure Technology – Telecommunications Award

#### UN Global Compact Network Malaysia & Brunei (UNGCMYB) Sustainability Performance Award 2022

- Sustainability Awareness & Employee Engagement Recognition
- Partnership for the Goals Recognition

#### Sustainability & CSR Malaysia Awards 2022

- Company of the Year for Excellence in Environment and Community Welfare

### Progress on Axiata 5.0 Vision

#### Sustainable Growth

- Getting ready for eventual public listing and have been preparing the initial public offering (IPO) Readiness roadmap
- Improved margins by addressing leakages and implementing a Zero Touch Operation approach through the use of preventive analytics
- Embarked on strategic initiative for the expansion of managed services in partnership with Telecom Infra Project (TIP) for Network-as-a-service.

#### Operational Excellence

- Achieved cost savings through efficiencies in operating model
- Participated in the Axiata Collective Brain IT track, collaborating with other OpCos on joint problem-solving initiatives
- Developed a Digital Roadmap for the next three years to drive our digital aspirations
- Conducted continuous engagement with shareholders to provide strategic updates and guidance on matters such as Total Shareholder Return (TSR), portfolio optimisation and other key initiatives
- Engage in ongoing regulatory discussions in each country to ensure compliance with licensing requirements, digital roadmaps, infrastructure policies and other related matters
- Established a Championship culture as part of our distinctive corporate culture

#### Structural Changes

- Continue exploring home market acquisition opportunities
- Expanded towers portfolio via entry into Indonesia and the Philippines

### Outlook for 2023 and Beyond

- 5G roll out ramping up, leading to MNOs monetising their tower assets, which may attract more new competition into EDOTCO's home markets
- More funds for Asian infrastructure companies InfraCos which is rapidly expanding with more inflow from EU and US PE fund
- Anticipate a challenging regulatory landscape, with EDOTCO to continue pushing for structural regulatory reforms to unlock opportunities for adjacent services in multiple jurisdictions, including IBS and small cells services agenda (Bangladesh), reforms in licensing rules (Myanmar), Electric Vehicle partnership (Malaysia), Energy-as-a-Service (Indonesia) and active sharing solutions in Pakistan
- EDOTCO will continue regulatory stakeholder engagement to advocate for operations beyond passive infrastructure services; commercially-driven Neutral Host in 5G ecosystem across markets where there is no 5G policy as yet; efficient, cost-effective and future-proof deployment policy; and regulatory reform with international advocacy partners
- As a development partner to the government, EDOTCO to deliver infrastructure sites in the universal service provider (USP) areas under JENDELA Phase 1 by 2023 in Malaysia
- Explore opportunities in Cambodia under QOS/Project Khan which is to improve access to fixed and mobile broadband connectivity with towerco being ultimate beneficiaries

## ENHANCING BONDS ACROSS BORDERS

Accessibility to a world of  
on-demand entertainment from  
wherever they are, enabling  
meaningful family moments

VIDEO-ON-DEMAND,  
LINK NET



## TRANSPARENCY & ACCOUNTABILITY

## COMMITTED TO ACCOUNTABILITY

**The Board of Directors of Axiata Group Berhad (Board or BOD) strongly advocate and support the principles of good corporate governance. The Board has continually strived to enhance and strengthen the Group's governance system and processes to ensure that the highest levels of corporate governance is practised Group-wide.**

This Corporate Governance Overview Statement (CG Overview Statement) presents key governance highlights for the financial year 2022 and up to the date of publication of this IAR, outlining how Axiata complies with the three principles, 43 practices and five Step-ups of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) during the year under review.

This statement has been made in accordance with the authority of the Board dated 21 March 2023 and finalised and updated until the date of the publication of the Integrated Annual Report (IAR) 2022 with delegated authority to the Board Sustainability Committee\*.

This statement is complemented by a Corporate Governance Report (CG Report) based on a prescribed format pursuant to paragraph 15.25 of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities). The CG Report is available on the Company's website under the Corporate Governance section as well as via an announcement on Bursa Securities. This statement should also be read in conjunction with the Statement on Risk Management and Internal Control (SORMIC) and the Board Audit Committee (BAC) Report as well as other information in the Governance and Audited Financial Statements 2022 (GAFS) and the Sustainability and National Contribution Report (SNCR) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2022 and continuing until the date of this IAR 2022, the Company has complied with the provisions of the MCCG 2021 save for Practices 5.9 and 8.2, respectively relating to the required number of women directors and senior management remuneration as well as Practice 9.4 which is the Step Up on the requirement to have all Independent Non-Executive Directors on the

Board Audit Committee. A more thorough description of the manner in which the Company is addressing these departures is set out in the CG Report.

The Board is committed to maintaining the highest standards of good governance to promote quality decision making and the execution of those decisions within a disciplined framework of policies and procedures.

Good governance exists in an environment where roles and responsibilities are clearly defined, forums are conducive for a robust debate and performance is regularly reviewed. We outline our progress and describe our governance efforts over the next few pages. The Board provides effective leadership to the Group and embraces the principles of ethical leadership in setting and implementing the Group's strategy.

To ensure we make and execute good decisions and direction in the interest of the Group, its shareholders and other stakeholders, the Board works continuously to maintain and develop its governance framework. The Board exercises independent judgement on all issues reserved for the Board's review and approval, while simultaneously considering the needs of all stakeholders, and take full responsibility for the management, direction and performance of the Group.

### HOW OUR CORPORATE GOVERNANCE ACTIVITIES CONTRIBUTE TO VALUE CREATION

Good corporate governance contributes to value creation by ensuring accountability through reporting and disclosure, effective risk management, clear performance management, transparency and ethical and effective leadership. In addition, the diversity of our directors in terms of gender, race, nationality and professional background (refer pages 85 and 90) facilitates an environment for constructive dialogue and enables the Board to consider the needs of a wide range of stakeholder interests.

The Board believes these qualities of governance, which are aligned with the principles of the MCCG 2021, enable the Group to create value for stakeholders in a sustainable manner over the short, medium and long term as described in the strategy section of this IAR.

### CHANGES IN OUR GOVERNANCE FRAMEWORK

In underscoring Axiata's commitment towards sustainability as a Group-wide agenda, the Board had resolved to expand the scope and rename the Board Annual Report Committee as the Board Sustainability Committee (BSC) effective 8 April 2022. The BSC shall oversee all matters relating to sustainability practices within the Group, in addition to the existing role it plays in the preparation of the Integrated Annual Report Suite. This timely evolution to dedicate a Board Committee on sustainability is aligned with the increasing emphasis placed by regulators on sustainability matters as observed through the introduction of the new practices in the MCCG 2021 as well as the introduction of rules in the Listing Requirements of Bursa Malaysia (Listing Requirements).

Since the inaugural issue of our annual report in an integrated manner, in the IAR 2017 issued in 2018, matters relating to Environmental, Social and Governance (ESG) remain a core focus of Axiata and command significant attention. In keeping with the growing importance of ESG, we welcome the introduction of various ESG recommended practices in MCCG 2021 as well as the Listing Requirements by introducing key performance indicators (KPIs) on ESG matters for the Group Chief Executive Officer (GCEO) and Operating Companies (OpCos) CEOs as well as designating the Group Chief Corporate Officer as the senior management member in charge of ESG. The Board also plans for at least a twice-yearly tabling of ESG matters at Board meetings.

The year also saw the introduction of a Fit & Proper Policy for Axiata (F&P Policy) that require assessments of fitness and probity of individuals nominated as directors and senior management of the Group before their appointment and employment as the case may be. Implemented in July 2022, the F&P Policy meets and exceeds the provisions of the Listing Requirements in its scope of application. Since its implementation, five appointments to the Axiata Board have had an assessment of fitness and probity conducted prior to the appointments and the policy has also been applied on the re-election of directors who are standing for re-election following mandatory rotational retirement.

### OUR GOVERNANCE PRACTICES

#### • Leadership

The Company is headed by an effective Board of Directors, whose roles and responsibilities are all clearly defined. The roles of Chairman and the GCEO are held by separate individuals. The Chairman takes responsibility for leading the Board, whilst day-to-day management of the Group is delegated to the GCEO.

➔ [IAR](#), details on the Board of Directors and the Board's role and activities on pages 85, 89 and 92

#### • Effectiveness

The Board Nomination and Remuneration Committee oversees many of the activities which, together, underpin the effectiveness of the Board. It takes the lead on succession planning, taking account of the size and structure of the Board, evaluates the balance of skills, experience, independence and knowledge of the Company on the Board, and reviews outputs from the annual effectiveness evaluation of the Board.

➔ [IAR](#), details on the Board Nomination and Remuneration Committee activities on page 98

#### • Accountability

The Board Audit Committee assists the Board in fulfilling its statutory and fiduciary responsibilities by reviewing the financial statements and financial reporting process, the audit process, the adequacy and effectiveness of systems for internal controls, risk management and governance, and the process for monitoring compliance with laws and regulations.

➔ [IAR](#), details on the Board Audit Committee activities on pages 96 to 97

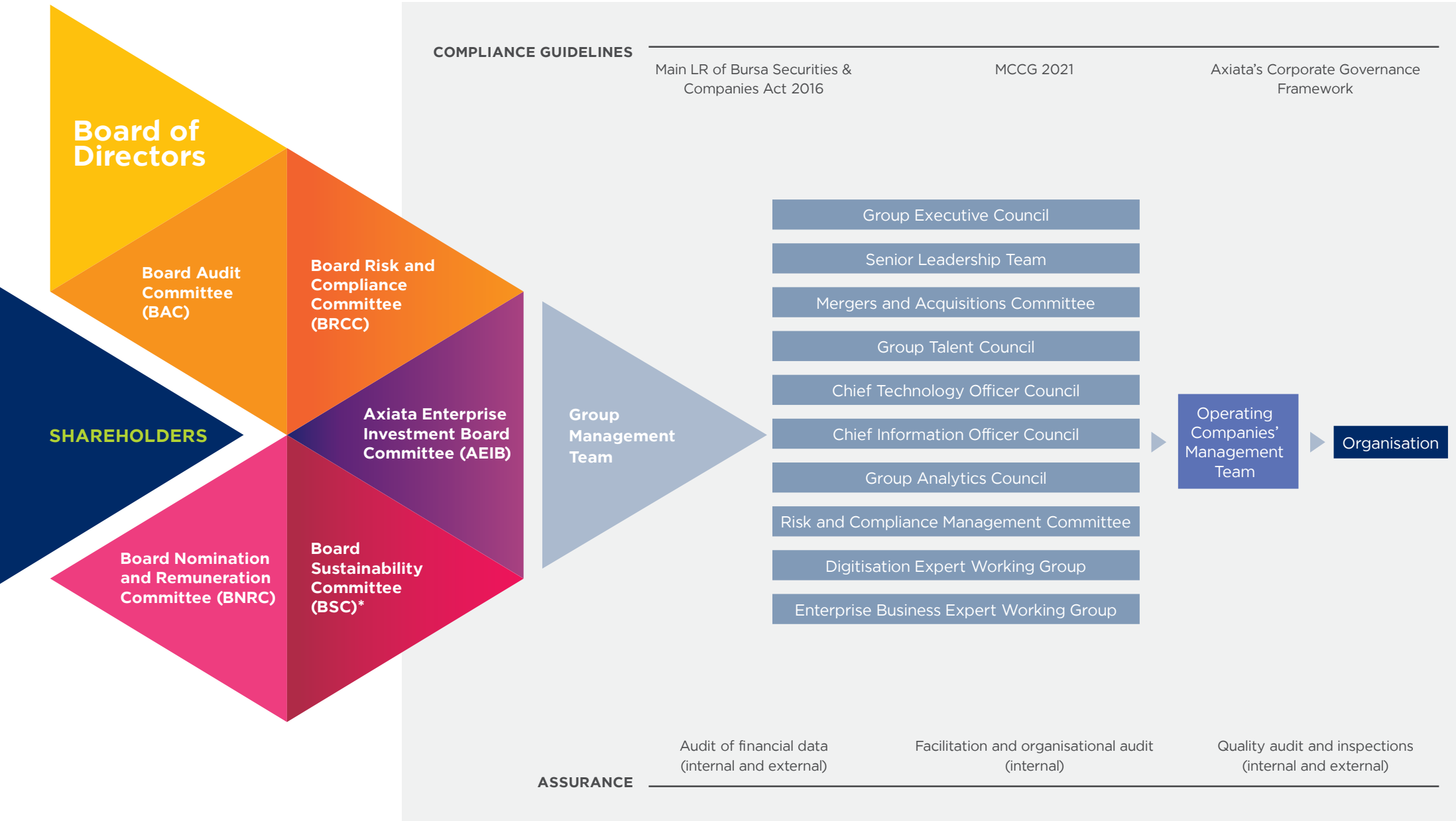
#### • Relations with Shareholders

An open dialogue is maintained with shareholders regarding strategic, governance and other objectives. This is led by the GCEO and the GCEO, whilst the Chairman and other Non-Executive Directors also engage with shareholders as necessary. The views and concerns of shareholders, as well as engagement with them more generally, is considered by the whole Board.

➔ [IAR](#), details on our stakeholder relationships on pages 103 to 104

\* Previously known as the Board Annual Report Committee. The renaming and rescoping of the committee took effect from 8 April 2022

# OUR GOVERNANCE STRUCTURE



\* Previously known as the Board Annual Report Committee. The renaming and rescoping of the committee took effect from 8 April 2022

## WHO GOVERNS US

The Group recognises the advantages of having a board with diversity in knowledge, background, race, gender and age that will collectively contribute to robust deliberations and informed decisions to enable Axiata to fulfil its goals and objectives. The Board composition reflects the right balance of competencies and skills to provide rigorous oversight in delivering long-term value to our shareholders and stakeholders.



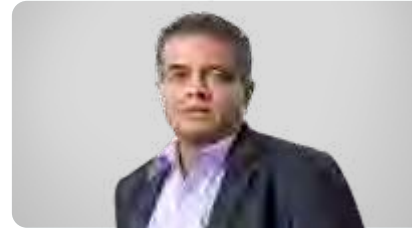
**Tan Sri Shahril Ridza Ridzuan**  
Chairman,  
Independent Non-Executive Director

52 M Malaysian



**Vivek Sood<sup>1</sup>**  
Group Chief Executive Officer and  
Managing Director

59 M Indian



**Dr Hans Wijayasuriya<sup>1</sup>**  
Group Executive Director and  
Chief Executive Officer of  
Telecommunications Business

54 M Sri Lankan



**Dato Dr Nik Ramlah Nik Mahmood**  
Senior Independent Non-Executive Director

67 F Malaysian

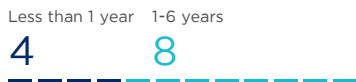
### Gender\*



### Age\*



### Tenure\*



**Dr David Robert Dean**  
Independent Non-Executive Director

64 M British



**Khoo Gaik Bee**  
Independent Non-Executive Director

65 F Malaysian



**Thayaparan S Sangarapillai**  
Independent Non-Executive Director

68 M Malaysian



**Tan Sri Dr Halim Shafie**  
Independent Non-Executive Director

74 M Malaysian

Notes:  
Age is as at 31 March 2023

\* Principal directors (excluding alternates)

<sup>1</sup> Appointed on 24 March 2023

<sup>2</sup> Appointed on 11 January 2023

<sup>3</sup> Appointed on 26 August 2022



**Maya Hari<sup>2</sup>**

Independent  
Non-Executive Director

44 F Singaporean



**Ong King How**

Non-Independent  
Non-Executive Director  
Representative of  
Khazanah Nasional Berhad

48 M Malaysian



**Nurhisham Hussein**

Non-Independent  
Non-Executive Director  
Representative of Employees  
Provident Fund

54 M Malaysian



**Shahin Farouque Jammal  
Ahmad<sup>3</sup>**

Non-Independent  
Non-Executive Director  
Representative of Permodalan  
Nasional Berhad

49 M Malaysian

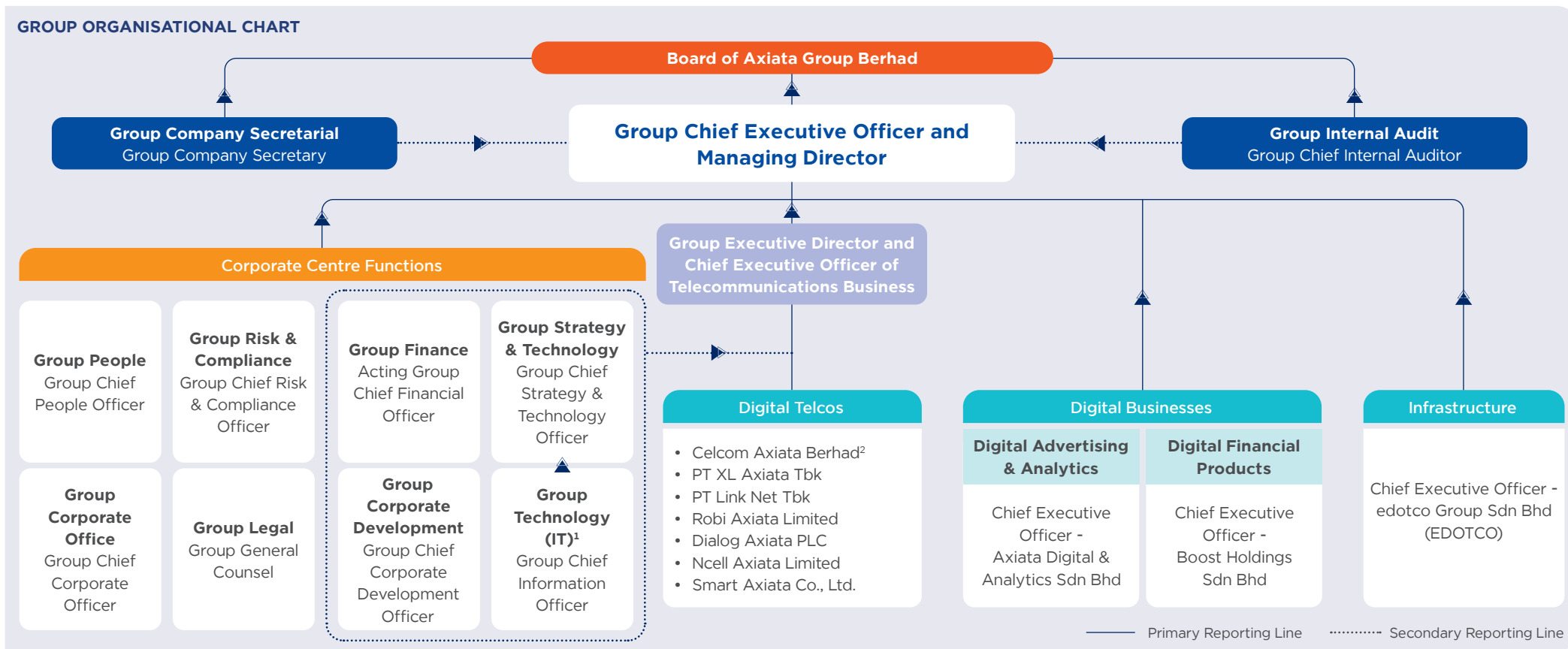


**Eysa Zulkifli<sup>3</sup>**

Alternate Director to Ong King How

40 M Malaysian

## AN EXPERIENCED LEADERSHIP



Our people are core to our success. We are specialists in our markets because we recruit, nurture, motivate, develop and reward talented professionals. This contributes profoundly to our reputation and our market presence. It supports our ability to work closely with our clients and stakeholders in strong partnerships where trust and reliability are essential. We aim to create a positive experience for all our people with responsive and caring management, effective technology, quality working environment and supportive colleagues. This enables us to deliver professional, high-quality, consistent and compliant work product and services.

To this end, our senior leadership team leads the charge in the implementation of strategy, the progress made towards meeting targets and the management of risk, human resources and Group-wide issues and initiatives. They are responsible for the maintenance of and compliance with Group operating standards.

They also discuss issues faced by individual businesses in addition to those common across the Group to ensure that best practice and experience are pooled in meeting the Group's objectives and vision.

On 31 May 2022, Dato' Izzaddin Idris stepped down as President & Group CEO of Axiata. The Board appointed Dr Hans Wijayasuriya, the then CEO - Telecommunications Business/ Group Executive Vice President and Vivek Sood, the then Group CFO, as Joint Acting Group CEOs on 1 June 2022.

Effective from 24 March 2023, Vivek Sood was appointed as Group CEO and Managing Director and Dr Hans Wijayasuriya as Group Executive Director and CEO of Telecommunications Business. With Vivek Sood's ascension as Group CEO and Managing Director, Lila Azmin Abdullah was appointed as Acting Group CFO.

Notes:  
Information as at 31 March 2023

<sup>1</sup> Primary reporting line of Group Technology is to Group Executive Director and Chief Executive Officer of Telecommunications Business

<sup>2</sup> The merger of Celcom Axiata Berhad (now known as Celcom Berhad) (Celcom) with Digi.Com Berhad (now known as CelcomDigi Berhad) was completed on 30 November 2022. Accordingly, Celcom and its subsidiaries have ceased to be subsidiaries of the Axiata Group



## AN EXPERIENCED LEADERSHIP

Axiata's Senior Leadership bench comprises highly-experienced leaders who are committed to driving business performance and creating value for our shareholders and stakeholders. Leveraging cross-industry expertise and experience, the senior leadership team steers the Group in executing the Axiata 5.0 Vision towards its aim of building a sustainable and future-forward organisation.



Vivek Sood<sup>1</sup>

Group Chief Executive Officer and Managing Director

59 M Indian



Dr Hans Wijayasuriya<sup>2</sup>

Group Executive Director and Chief Executive Officer of Telecommunications Business

54 M Sri Lankan



Lila Azmin Abdullah<sup>3</sup>

Acting Group Chief Financial Officer and Group Chief Corporate Development Officer

55 F Malaysian



Thomas Hundt

Group Chief Strategy & Technology Officer

45 M German

### Gender



### Age



### Tenure



Norlida Azmi

Group Chief People Officer

62 F Malaysian



Anthony Rodrigo

Group Chief Information Officer

55 M Sri Lankan



Asri Hassan Sabri

Group Chief Corporate Officer

56 M Malaysian



Hadi Helmi Zaini Sooria

Group Chief Internal Auditor

53 M Malaysian



Abid Abdul Adam

Group Chief Risk & Compliance Officer

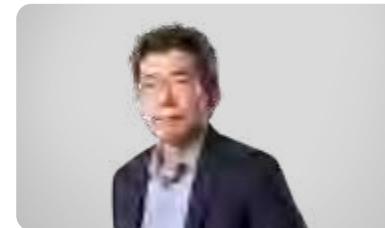
41 M South African



Suryani Hussein

Group Company Secretary

57 F Malaysian



Tan Gim Boon

Group General Counsel

50 M Malaysian

Notes:  
Age is as at 31 March 2023

<sup>1</sup> Appointed to current position on 24 March 2023. Previously served as Joint Acting Group CEO & Group Chief Financial Officer from 1 June 2022

<sup>2</sup> Appointed to current position on 24 March 2023. Previously served as Joint Acting Group CEO & CEO - Telecommunications Business/ Group Executive Vice President from 1 June 2022

<sup>3</sup> Appointed as Acting Group Chief Financial Officer on 24 March 2023

## AN EXPERIENCED LEADERSHIP

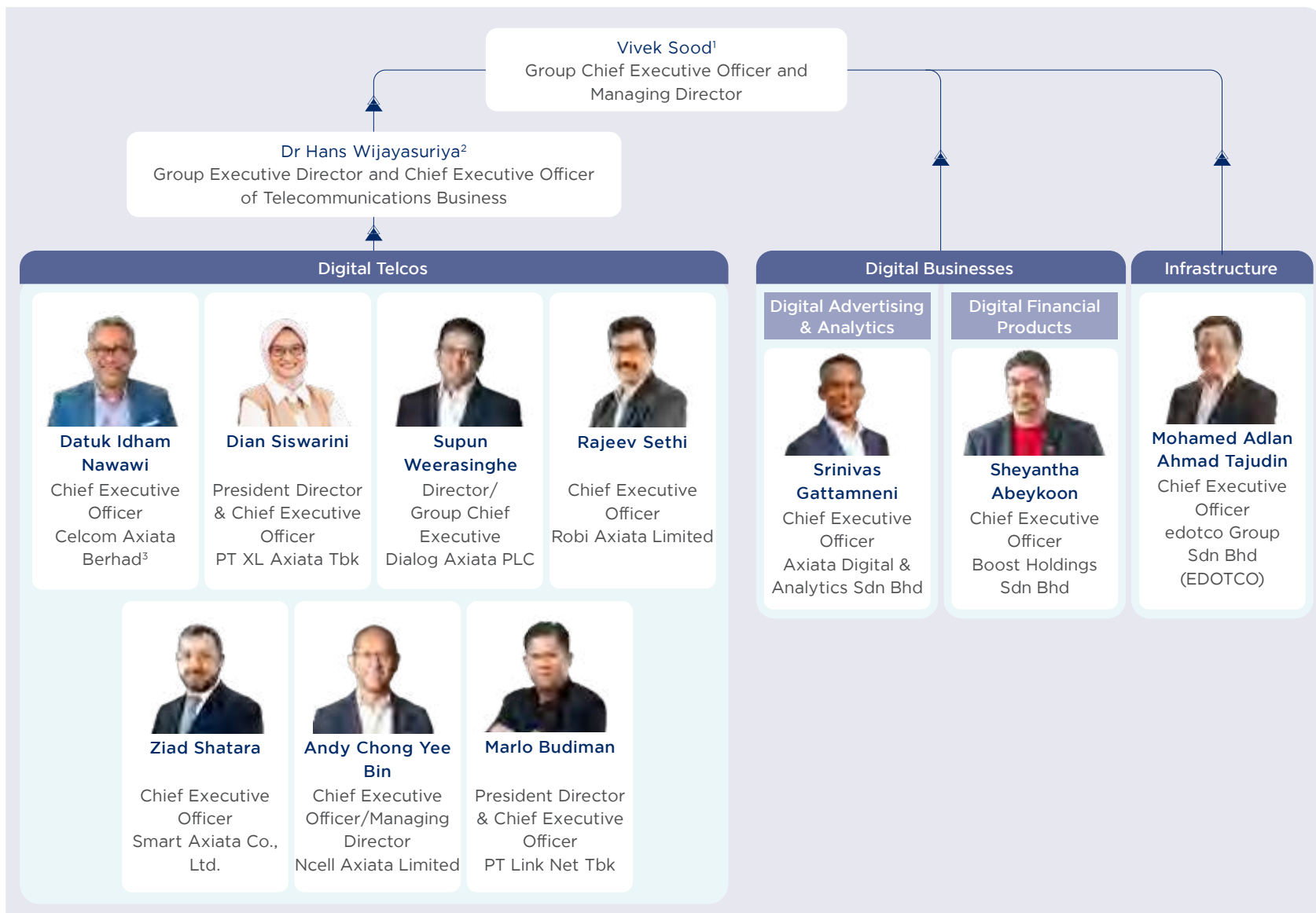
### OPERATING COMPANIES' ORGANISATIONAL CHART

In January 2023, Ziad Shatara was appointed as the CEO of Smart. Prior to Ziad's appointment, a transitional leadership at Smart was established in late 2021, where Feiruz Ikhwan, CFO of Smart assumed the role of Acting CEO. This followed the assumption by Thomas Hundt, the previous CEO of Smart, of the role of Group Chief Strategy & Technology Officer of Axiata.

In November 2022, Rajeev Sethi was appointed as CEO of Robi. In the interim period since August 2021, M. Riyaaz Rasheed, the CFO of Robi was appointed as Acting CEO, upon the departure of the previous Managing Director & CEO of Robi. During this period, M. Riyaaz Rasheed continued to retain his role as CFO, which ensures a smooth transition and continuity of the business.

These appointments demonstrate orderly succession planning undertaken in accordance with the Axiata Talent Management Framework. The succession plans are presented to the Board twice a year. The plans include talent (both internal and identified external talent) ready to take on senior roles within different time frames and the intervention required for key talent.

The succession planning process provides Axiata a ready pool of talent to plan ahead with and when there is insufficient bench strength, to scout the market and identify promising candidates in advance of the anticipated demand.



Notes:

Information as at 31 March 2023

<sup>1</sup> Appointed to current position on 24 March 2023. Previously served as Joint Acting Group CEO & Group Chief Financial Officer from 1 June 2022

<sup>2</sup> Appointed to current position on 24 March 2023. Previously served as Joint Acting Group CEO & CEO - Telecommunications Business/ Group Executive Vice President from 1 June 2022

<sup>3</sup> The merger of Celcom Axiata Berhad (now known as Celcom Berhad) (Celcom) with Digi.Com Berhad (now known as CelcomDigi Berhad) was completed on 30 November 2022. Accordingly, Celcom and its subsidiaries have ceased to be subsidiaries of the Axiata Group

## OUR GOVERNANCE AT A GLANCE

### ROLE OF THE BOARD

The Board is responsible for setting the vision and strategy for the Company to deliver value to its shareholders through implementing its strategic business plan. Under the Chairman’s leadership, Board members share collective responsibility for corporate governance arrangements. The Board’s roles and responsibilities are detailed in the Board Charter, which is available online at the Company’s website under the Corporate Governance section. The last revision of the Board Charter was on 20 February 2020.

### BOARD ROLES AND THEIR RESPONSIBILITIES

#### Chairman

The Chairman is responsible for the operation and leadership of the Board, ensuring its effectiveness and setting its agenda.

[IAR](#), details on the Chairman on page 85

#### Senior Independent Non-Executive Director (SINED)

SINED acts as an intermediary to convey concerns of the INEDs on the Board to the other members of the Board and in the event of any dissension in the execution of their duties.

[IAR](#), details on SINED on page 85

#### Independent Non-Executive Directors (INEDs)

The primary responsibility of an INED is to protect the interests of minority shareholders and other stakeholders. In addition, the INEDs play a key role in strategy and business performance.

[IAR](#), details on INEDs on page 85

#### Managing Director/President & Group Chief Executive Officer<sup>1</sup>

The Managing Director/President & Group Chief Executive Officer is responsible for leading and managing the Group’s business within a set of authorities delegated by the Board and for the implementation of the Group strategies and policies.

[IAR](#), details on the Group Chief Executive Officer and Managing Director on page 85

#### Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company’s Constitution, policies and procedures and compliance with the relevant regulatory requirements.

[IAR](#), details on the Company Secretary on page 87

### APPOINTMENT OF DIRECTORS

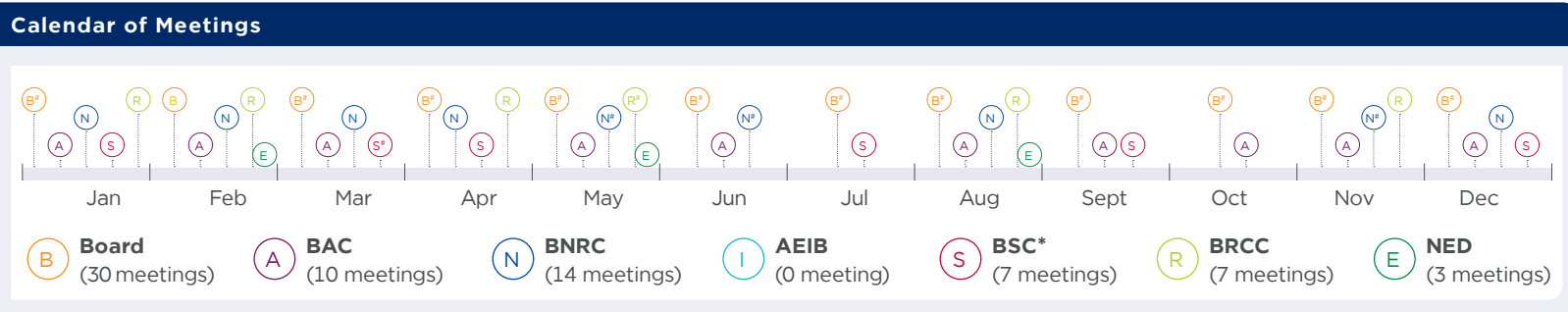
There is a clear and transparent process for the selection, nomination and appointment of suitable candidates to the Board of Axiata and achieving board balance through diversity in skill set, experience, age, nationality and gender is a key objective. This principle is encapsulated in the Axiata Board Composition Framework. Based on this framework, both merit and diversity are factors considered hand in hand when selecting board members.

The formal process involves the Board Nomination and Remuneration Committee (BNRC) first identifying the gap in Board composition before sourcing for candidates. Subsequently, the BNRC evaluates and recommends to the Board suitable candidates who fulfil the requirements. Other criteria such as integrity, existing commitments, potential risks and/or conflicts of interest and ability to bring a different perspective and increase diversity of the Board are also considered in the BNRC’s review. The process for Board appointment also mandates the BNRC and Group Chief Executive Officer and Managing Director to engage external consultants and this has been utilised on many occasions.

On 25 May 2022, the Board approved a Fit & Proper Policy to be effective from 1 July 2022, where the proposed candidates to be appointed to the Board or reappointments of directors to the Board are assessed to determine fitness and probity. This is also in keeping with the amendments to the Listing Requirements made by Bursa Securities as communicated to all listed issuers by way of a letter from Bursa Securities dated 19 January 2022.

### NON-EXECUTIVE DIRECTORS MEETING

In 2022, Axiata Board had three Non-Executive Directors (NED) meetings without the presence of the management and discussed issues pertaining to Group strategy, capital allocation, people matters, as well as Board and GCEO’s succession planning.



**Notes:**

<sup>1</sup> Or currently, the Group Chief Executive Officer and Managing Director

\* Previously known as Board Annual Report Committee. The renaming and rescoping of the committee took effect from 8 April 2022

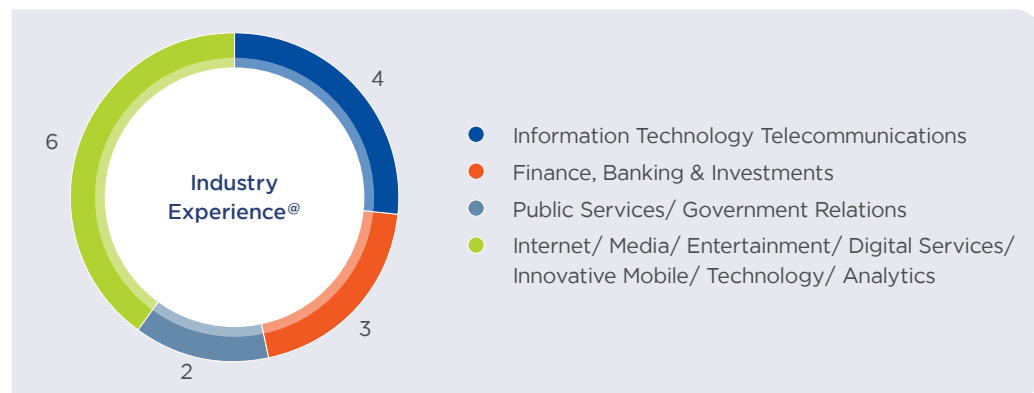
# More than one meeting in a month

[www.axiata.com/our-business/corporate-governance](http://www.axiata.com/our-business/corporate-governance)

## OUR GOVERNANCE AT A GLANCE

The attendance of the respective Directors at meetings of the Board and Committees held in 2022 are provided below:

Name of Board Members	Board	BAC	BNRC	BRCC	AEIB <sup>^</sup>	BSC <sup>*</sup>	NED
Tan Sri Shahril Ridza Ridzuan	30/30						3/3
Dato Dr Nik Ramlah Nik Mahmood	28/30		14/14	7/7			3/3
Dr David Robert Dean	29/30	10/10		7/7	0/0		3/3
Khoo Gaik Bee	30/30		14/14			7/7	3/3
Thayaparan S Sangarapillai	29/29 <sup>#</sup>	10/10			0/0	7/7	3/3
Tan Sri Dr Halim Shafie	28/30			7/7			3/3
Ong King How	30/30		14/14				3/3
Nurhisham Hussein <sup>1</sup>	28/28						3/3
Shahin Farouque Jammal Ahmad <sup>2</sup>	8/9	1/1					0/0
Eysa Zulkifli <sup>3</sup>	9/9						0/0
Dato' Izzaddin Idris <sup>4</sup>	11/11			4/5	0/0	4/4	
Syed Ali Syed Salem Alsagoff <sup>5</sup>	20/20	6/6			0/0		3/3



**Notes:**

Vivek Sood and Dr Hans Wijayasuriya were appointed on 24 March 2023  
 Maya Hari was appointed on 11 January 2023

<sup>1</sup> Appointed on 25 January 2022

<sup>2</sup> Appointed on 26 August 2022

<sup>3</sup> Appointed on 26 August 2022 as Alternate Director to Ong King How. Attendance of alternate director is not compulsory when the principal Director is present

<sup>4</sup> Cessation from office on 31 May 2022

<sup>5</sup> Resigned on 26 August 2022

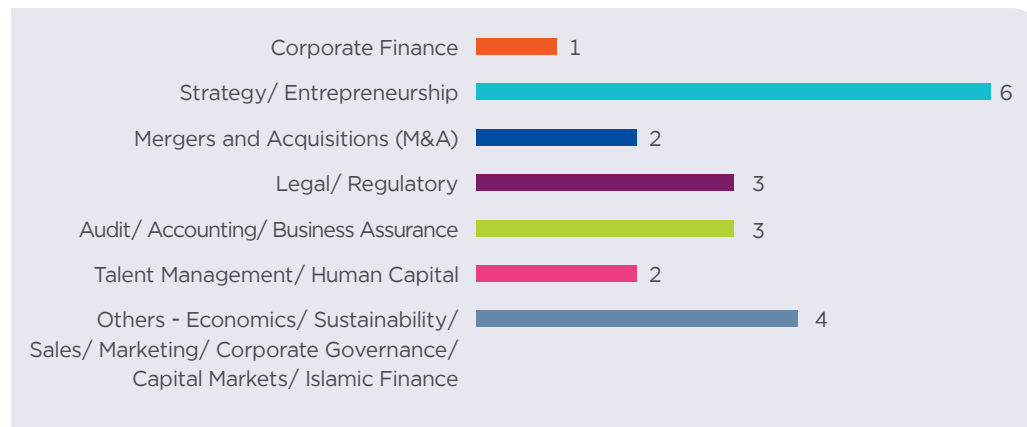
<sup>\*</sup> Previously known as the Board Annual Report Committee. The renaming and rescoping of the committee took effect from 8 April 2022

<sup>#</sup> Did not attend a Board Meeting following a disclosed conflict

<sup>@</sup> Information as at 31 March 2023

<sup>^</sup> No meetings in 2022 as focus was on the performance, integration and growth of the acquired businesses

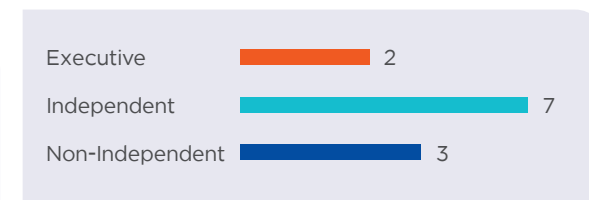
### Functional Experience<sup>@</sup>



### Total Hours for Board & Board Committee Meetings 2022



### Board of Directors<sup>@</sup>



### DIRECTORS LIABILITY INSURANCE

In order to protect our directors and officers from personal financial loss that may result from allegations and lawsuits of wrongful acts or mismanagement carried out in their appointed capacity, the Group has in place a Directors and Officers Liability Insurance which provides a blanket cover for all Directors, past, present and future which indemnifies against losses arising from management liability, company securities and company employment breach practices. Subject to the relevant policy sub-limits, excess and exclusions, the sum insured is RM150 million and the period of annual cover is from June to May.

## EMBEDDING SUSTAINABILITY INTO OUR GOVERNANCE STRUCTURES

**At Axiata, we have strengthened our sustainability governance structure to enhance alignment between the Group and OpCos for effective implementation of sustainability matters and initiatives moving forward.**

Axiata’s Board holds ultimate responsibility of the Group’s sustainability agenda and provides oversight of the integration of ESG matters in Axiata’s corporate strategy with the aim of balancing stakeholder interests while ensuring that we grow responsibly and create long-term value.

In view of increasing stakeholder interest in sustainability, the Board Annual Report Committee was rescoped, remodelled and renamed as the Board Sustainability Committee effective 8 April 2022 to provide enhanced oversight on ESG management across Axiata Group in addition to the preparation of the Integrated Annual Report Suite. The change underlines our top-down approach and our commitment towards sustainability as a Group-wide agenda. The BSC also has oversight of climate-related matters, including climate risks and opportunities.

GCEO and Managing Director is responsible for overall management on sustainability-related matters. The GCEO is supported by the Group Chief Corporate Officer, who oversees Group Sustainability, and other Senior Leadership Team members within their areas of responsibility.

For accountability, sustainability-related KPIs including climate change performance linked to our net-zero commitment are included in our GCEO as well as OpCo’s Senior Leadership Teams (SLTs) annual remuneration-linked KPIs. All OpCo CEOs are also authorised to sign-off on sustainability-related governance as part of internal control assurance.

The Axiata Sustainability Steering Committee (Steering Committee) is responsible for supporting the management of ESG matters and ensures collaboration to streamline the approach within the Group to achieve Axiata’s sustainability agenda and promote sharing.

Group Sustainability leads the development of overall strategy and framework to drive sustainability initiatives and programmes across the Group in a structured and cohesive way. Their responsibilities include monitoring and managing business sustainability practices

and targets, keeping abreast of the sustainability development landscape and ensuring management of the Group’s ESG risk and opportunities are assessed and evaluated. The team also provides advisory support and capacity building for the sustainability teams in all OpCos and receives sustainability progress updates.

On all OpCo Boards and Board Committees, Axiata is represented by its Directors or Senior Leadership representatives. This enables alignment and oversight from the Group to OpCos, including ensuring the integration of sustainability across the organisation.

Each OpCo has its own sustainability governance, where sustainability-related matters are elevated to OpCo Board, Board Committees, CEO or Management Committees by Sustainability Teams or representatives. OpCos are responsible for the governance, daily management and operations, programme implementation and data collection of identified sustainability material matters. Our OpCos are part of the Group’s Net-Zero Carbon agenda and monitor climate-related performance, developments pertaining to the evolving regulatory landscape, policies and systems within their respective country of operations.



Notes:  
 The renaming and rescoping of the Board Annual Report Committee to Board Sustainability Committee took effect from 8 April 2022 to provide enhanced oversight on ESG management across Axiata Group  
 \* New title as of 24 March 2023, formerly President & Group CEO

## BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD FOCUS AREAS

Monitoring of the Company's performance and business planning for the year remain a priority for the Board's deliberation despite a considerable amount of time and attention being devoted to strategic matters and mergers and acquisitions (M&A).

The Board also considered new opportunities and new ways of engagement to leverage on the wide range of talent, skill and expertise available within the Group. Efforts were also expanded in assessing the various options available in unearthing and increasing value to and within the Group.

During the course of the year and as recommended by the findings of the Board Effectiveness Evaluation for activities in 2021, the Board had mandated the Board Committees to review its Terms of Reference with a view towards enhancing the autonomy of Committees to alleviate the burden on the Board as well as to avoid repetition of similar deliberation at Committee and Main Board level. Pursuant thereto, the Board Audit Committee and the Board Nomination and Remuneration Committee have reviewed and revised their Terms of Reference that sought to enhance autonomy, elevate effectiveness in decision making and update terms and provisions to align with the changing operational, business and structural changes of the Group.

The most significant change in Board Committees came from the expansion to the scope and renaming of the Board Annual Report Committee as the Board Sustainability Committee (BSC) effective 8 April 2022. Involving an extensive amendment to its Terms of Reference, the BSC underscores Axiata's commitment to sustainability as a Group-wide agenda while retaining the existing role it plays in the preparation of the Integrated Annual Report Suite.

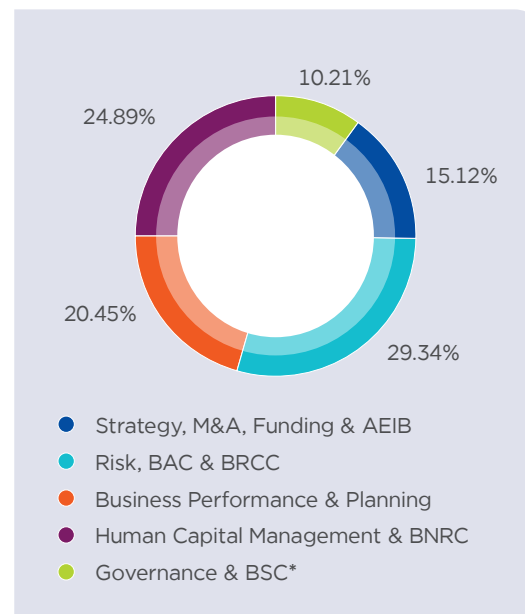
### BOARD ACTIVITIES IN 2022

- The Board allocated approximately 29.34% of its time in 2022 during Board meetings focusing on risk, audit and compliance matters.
- At the Board Retreat held in November 2022, the Board focused on deliberating on Axiata's strategic direction across its businesses and footprint, taking into account the state of the telecommunications industry and the direction that the industry is heading to.

### PRIORITIES FOR 2023

The focus of the Board for 2023 would be to ensure Axiata sustains its growth momentum while delivering value to stakeholders through the execution of the Axiata 5.0 Vision. Axiata's ESG proposition is being augmented with the Net-Zero Carbon Roadmap and preparation for Task Force on Climate-related Financial Disclosures (TCFD).

### TOPICS FOR DISCUSSION AT BOARD MEETINGS



### CODE OF CONDUCT AND ETHICS (CODE)

The Code is in line with the practices in the Malaysian Code on Corporate Governance under both the 2017 and 2021 iterations as well as the provisions of the Securities Commission Guidelines on the Conduct of Directors of Public Listed Companies issued in July 2020. All of the OpCos adopt a code of conduct similar if not identical, to that of Axiata leading to a shaping of a common ethical culture within the Group. The provisions of the Code are also embedded within the Employees Code of Conduct and our core values of Uncompromising Integrity and Exceptional Performance applicable across the Group.

[The Code is available online, please visit  
www.axiata.com/our-business/corporate-governance](https://www.axiata.com/our-business/corporate-governance)

### AXIATA ADVISORY PANEL

The Axiata Advisory Panel (AAP) advises the Board on matters relating to the business of the Group across its geographical footprint and other areas and location that the Group intends to venture. The AAP comprises members with extensive and established knowledge and experience of the business and industry environment that Axiata is involved in.

The current members of the AAP are Tan Sri Jamaludin Ibrahim and Gita Irawan Wirjawan.

At the Board Meeting of Axiata held on 2 February 2023, the Board resolved the extension of the tenure of the AAP members for an additional term of one year i.e. to 2024 without change to the current terms of appointment.

### BOARD EFFECTIVENESS EVALUATION

The Board engaged the services of a corporate governance advisory firm (Consultant) to assist with the 2022 Board Effectiveness Evaluation (2022 BEE) of the Board's performance.

Board members (except Maya Hari whose appointment was after the start of the BEE) and the then Joint Acting GCEOs<sup>1</sup> were invited to complete a questionnaire, and selected members of the Board and Senior Leadership were invited to participate in interviews, which amongst others, addressed the performance of the Board and its Committees, as well as the Fit and Proper assessment. The specific assessments included those of the Board and each Board members' skill set. These were structured along both self-assessment and peer reviews extending specifically to independent directors and the then Joint Acting GCEOs.

#### Notes:

\* Previously known as the Board Annual Report Committee. The renaming and rescope of the committee took effect from 8 April 2022 to provide enhanced oversight on ESG management across Axiata Group

<sup>1</sup> During the financial year 2022, the Joint Acting GCEOs were Vivek Sood and Dr Hans Wijayasuriya. On 24 March 2023, Vivek Sood was appointed as Group CEO and Managing Director and Dr Hans Wijayasuriya as Group Executive Director and CEO of Telecommunications Business.

## BOARD LEADERSHIP AND EFFECTIVENESS

### STRENGTHS

Based on the analysis conducted by the Consultant, the key positive highlights of the 2022 BEE are as follows:

- **Leadership of the Chairman and Joint Acting GCEOs**

The Chairman and Joint Acting GCEOs provides effective leadership to Axiata's Board. There is openness to dissenting views and appreciation of proactive contributions which enriches Board deliberations.

- **Boardroom dynamics and commitment**

The diversity of the Board enables the sharing of varied views and experiences. The Board is also imbued with professionalism, integrity, and objectivity and has demonstrated deep commitment and accountability to the affairs of the Company.

- **Boardroom succession planning**

Succession planning for Directors is given thoughtful consideration with the establishment of clear succession plans and well understood guidance on the progressive renewal of the Board.

- **Oversight on stakeholder management**

Axiata's Board has embodied a blend of reactive and proactive approaches in its stakeholder engagement methods and this has proven to be effective and functional.

### IMPROVEMENTS

The findings of the 2022 BEE have also recommended areas for continuous improvement with some of the key recommendations as follows:

- **Group Governance**

To review the group governance framework for clearer alignment of escalation and approval of key matters between Axiata and its OpCos. To also consider a Group-wide policy on Independent Directors.

- **Strategy development**

The focus of discussion and deliberation at the Board and Management should be structured in line with Axiata's role as an integrated digital player and to allow Directors to explore strategic propositions in an in-depth manner.

- **Boardroom administration and information flow**

The conciseness and intuitiveness of the Board paper structure to be improved by including a standardised executive summary, as well as drawing the alignment of a proposal with Axiata's strategic focus.

### BOARD RE-ELECTION

In respect of the Directors standing for election/re-election, the BNRC and Board took into consideration the self and peer ratings and other feedback on the areas evaluated as undertaken in the 2022 BEE with the following findings:

**Khoo Gaik Bee** is acknowledged for her calibre and personality, particularly in engendering mutual trust amongst Board members, acting professionally and objectively, as well as fostering camaraderie and exuding strong presence in the boardroom.

**Ong King How** is well regarded for his contribution and performance, notably in the dimension of adeptness to market and stakeholder sensitivities.

It was gathered from the assessment findings that the Director has shown credible effort in overseeing the affairs of Axiata without subordinating its best interests to the nominator.

**Shahin Farouque Jammal Ahmad** is a newly inducted Director whose contribution is expected to become manifestly evident as he gains more exposure to the boardroom culture and intricacies of Axiata.

It was gathered from the assessment findings that the Director has shown credible effort in overseeing the affairs of Axiata without subordinating its best interests to the nominator.

**Maya Hari** – The fit and proper assessment of Maya Hari was conducted in compliance with Axiata's Fit & Proper Policy prior to her appointment. The Board had noted the satisfactory results of the assessment and approved her appointment as Independent Director on 11 January 2023.

**Vivek Sood** – The fit and proper assessment of Vivek Sood was conducted in compliance with Axiata's Fit & Proper Policy prior to his appointment. The Board had noted the satisfactory results of the assessment and approved his appointment as Group Chief Executive Officer and Managing Director on 24 March 2023.

**Dr Hans Wijayasuriya** – The fit and proper assessment of Dr Hans Wijayasuriya was conducted in compliance with Axiata's Fit & Proper Policy prior to his appointment. The Board had noted the satisfactory results of the assessment and approved his appointment as Group Executive Director and Chief Executive Officer of Telecommunications Business on 24 March 2023.

Tan Sri Dr Halim Shafie who is retiring by rotation has expressed his intention of not seeking re-election. He will retain office until the conclusion of the 31<sup>st</sup> Annual General Meeting (AGM).

The Board had at its meeting on 21 March 2023 recommended the re-election of Khoo Gaik Bee, Ong King How, Shahin Farouque Jammal Ahmad and Maya Hari.

The profiles of the Directors standing for re-election are set out in the Profile of Directors section of the Governance & Audited Financial Statement 2022 on pages 4 to 9.

The assessment in respect of Directors' independence in the 2022 BEE was carried out using the criteria prescribed under the Main LR of Bursa Securities. All Independent Directors assessed have declared adherence to all the relevant stipulations in accordance with Paragraph 1.01 and Practice Note 13 of the Main LR of Bursa Securities.

## BOARD LEADERSHIP AND EFFECTIVENESS

### PROFESSIONAL DEVELOPMENT AND EDUCATION

New directors receive a comprehensive and tailored induction programme in order that they are fully informed about the Group's activities on joining the Board. They are apprised of the business operations and environment, fiduciary duties and responsibilities, and the Board's expectations in respect of a director's commitment, ethical behaviour and the need to keep abreast of regulatory changes and trends.

Training is an area delegated to the Board Nomination and Remuneration Committee as part of its brief to ensure that the Board continues to possess the skills, experience and knowledge to meet the needs of the business. Training requirements are discussed and relevant and suitable training programmes are periodically made known to the directors, all of which are facilitated and assisted by the Group Company Secretary.

#### Briefings During The Year

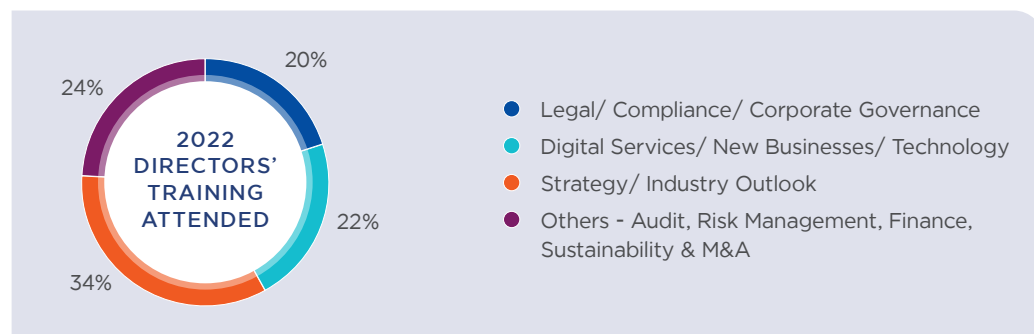
Several of the in-house presentations by external speakers during the course of the year were as follows:

- Group Risk and Compliance Conference 2022 - Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World
- Briefing on Corruption Risk Assessment
- Sustainability and Climate Action for Telcos in Asia
- Telco to TechCo: Transforming to Unlock Growth

OpCos Induction Programme - all new directors appointed on the Board of Axiata will have the opportunity to attend an Axiata Board Induction as well as induction programmes organised and conducted by OpCos. These programmes by the OpCos are conducted once a year and Axiata Directors are encouraged to participate in at least one of these visits depending on their availability.

### 2022 DIRECTORS' TRAINING AREAS

The Group Company Secretary actively disseminates training programmes to the Directors, which amounted to 42 in 2022 and includes 9 on digital services, new business and technology. Inclusive of in-house programmes, the Directors attended 47 training programmes in 2022, mainly in the areas of strategy and industry outlook.



### REMUNERATING FAIRLY

#### Non-Executive Directors (NED)

As a regional company, the remuneration philosophy is to develop a remuneration structure that commensurates with the Directors' responsibilities at both Board and Board Committee levels and is sufficient to attract, incentivise and retain quality Directors. The remuneration packages differentiate the Chairman and ordinary members of the Board and Board Committee to reflect the larger role and responsibilities of the Chairman.

At the end of 2021, a comprehensive review of the NEDs' remuneration structure was conducted by a consultant (Consultant) and the analysis and recommendation of the Consultant was tabled to the Board of Axiata in February 2022. From the benchmarking analysis of Axiata against Malaysian similarly-sized and regional-based international telecommunication peers, the recommendation was to increase the Chairman's monthly fees to align with the median and to align Board Committee ratios to P50 of that of similar-sized companies in Malaysia. The BNRC and Board recommended for the increase in monthly fees for the Board Committees and to align the BRCC meeting allowances with that of the BAC, which was subsequently approved by the shareholders at the 30<sup>th</sup> AGM held in May 2022.

In line with the above proposal, the Board also approved the enhancement of the Board Annual Report Committee (BARC) by adding an additional scope to the committee to oversee the sustainability practices within Axiata Group i.e. to oversee Axiata's sustainability or interchangeably, ESG (which includes climate-related risks and opportunities) related framework, strategy, external commitments, policies and practices as well as performances against such matters including any external ESG ratings or assessments. The BARC was renamed as Board Sustainability Committee (BSC) on 8 April 2022 and the new rate of monthly fees and meeting allowance was also proposed for BSC.

The following table outlines the remuneration structure for NEDs of the Group in 2022. There is no proposed revision to the remuneration of the Directors for 2023.

Remuneration	Monthly Fees <sup>1</sup> (RM)		Meeting Allowances <sup>2</sup> (RM)	
	NEC <sup>3</sup>	NED	NEC <sup>3</sup>	NED
Board of Directors	30,000.00	20,000.00	3,000.00	2,000.00
Board Audit Committee (BAC)	9,000.00	4,000.00	3,000.00	2,000.00
Board Risk and Compliance Committee (BRCC)	9,000.00	4,000.00	3,000.00	2,000.00
Board Nomination and Remuneration Committee (BNRC)	5,000.00	3,000.00	1,500.00	1,000.00
Board Sustainability Committee (BSC)	2,500.00	1,500.00	1,500.00	1,000.00
Other Board Committees	Nil	Nil	1,500.00	1,000.00

Notes:

<sup>1</sup> In accordance with Shareholders' approval, Axiata pays Board and Board Committees' Directors' fees on a monthly basis

<sup>2</sup> No new meeting allowance paid if meeting is adjourned to or continued on a different date or time

<sup>3</sup> NEC refers to Non-Executive Chairman



## BOARD LEADERSHIP AND EFFECTIVENESS

### Benefits

Benefits comprises annual overseas business development trips, leave passage, travel allowance, travel allowance for Non-Resident NEDs, equipment, telecommunication facilities, insurance and medical.

At the 29<sup>th</sup> and 30<sup>th</sup> AGMs of the Company, the shareholders approved the extension of Travel Allowance for Non-Resident NEDs for their attendance at Board and Board Committee meetings virtually. The extended Travel Allowance was intended to be paid to the Non-Resident NEDs until the restrictions imposed on global travel are fully uplifted and travel may be safely undertaken thereafter. Following the easing of COVID-19 travel restrictions from the second half of 2022, the extension of travel allowance for virtually attended meetings have tapered following an increase in physical attendance from the easing of travel restrictions.

### Executive Directors (EDs)

The Company's policy on remuneration for the EDs is formulated to ensure that the level of remuneration is generally set to provide market competitiveness to attract, retain and motivate an ED of the highest calibre to competently manage the Company.

The remuneration is therefore structured to link various components of the package with corporate and individual performance. It also takes into account total compensation of comparable companies (of similar size and complexity to Axiata locally; and in the same industry in the region), based on benchmarking conducted by independent consultants.

The current remuneration framework of the EDs consists of basic salary, benefits-in-kind and Employees Provident Fund (EPF) contributions, as a guaranteed component. On top of this, the EDs are eligible for two types of performance-based incentives which are the Short-Term Incentive Plan (STIP) linked to a particular financial year's targets and the Long-Term Incentive Plan (LTIP) which is linked to a 3-year long-term target.

For the STIP, the performance of the EDs is measured based on the achievement of the annual KPIs. These KPIs comprise not only quantitative targets, such as annual revenue, EBITDA, PATAMI or Return on Invested Capital (ROIC) and relative performance of the OpCos, but also qualitative targets which include strategic milestones and initiatives that need to be achieved and implemented in a given year, on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development. The weightage of the qualitative and quantitative targets may be adjusted to accommodate the Group's aspirations.

For the LTIP, the performance of the EDs is measured on the achievement of a combination of ROIC and Earning Per Share (EPS) including aggregate overall performance within the vesting period.

## BOARD COMMITTEES - BOARD ACCOUNTABILITY

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### BAC Board Audit Committee

##### Members<sup>1</sup>

- Thayaparan S Sangarapillai (Chairman) (INED)
- Dr David Robert Dean (INED)
- Shahin Farouque Jammal Ahmad (NINED)

BAC currently comprises three members of which two are INEDs and one is NINED whereby all BAC Members are financially literate, well above the level needed for an Audit Committee. Their appointments are made by the Board on the recommendation of the BNRC and in consultation with the BAC Chairman.

Group Chief Internal Auditor (GCIA) acts as the Secretary of the BAC and meeting dates are synchronised to coincide with the key dates within the financial reporting and audit cycle with ample time for a report to be prepared for the Board, particularly on irregularities and significant finding on matters of concern.

Axiata's internal audit function reports directly to the BAC and the Internal Audit (IA) Charter is also approved by the BAC.

#### Activities in 2022

- Initiated appropriate enhancements of Corporate Governance and Group oversight in relation to the MCCG 2021 and the Securities Commission's Corporate Governance Strategic Priorities 2021-2023 (CG Strategic Priorities) (dated 24 November 2021)
- Completed the review and enhancements of BAC Terms of Reference across the Group pursuant to MCCG 2021
- Reviewed the governance, risks and internal controls on Environmental, Social and Governance (ESG) initiatives
- Reviewed the external auditors audit plan, auditors' independence/ objectivity and external audit findings
- Reviewed the Group Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) and Malaysian Financial Reporting Standards (MFRS)
- Continuous review of the Group foreign currency exposure and debt levels including restructuring of financial risks of the Group as a consequence to volatile economic environment, geo-political situations, oil price movement, interest rate movement, currency volatility and post pandemic effect
- Reviewed the Group Treasury risks and controls in relation to cash in hand, interest earnings, foreign and local debts, compliance to debt covenants and interest expenses optimisation
- Reviewed the financial impacts to the Group arising from Sri Lanka political turmoil and economic crisis, as well as challenging market and regulatory environment faced by Ncell in Nepal
- Endorsed the governance and controls enhancements to Group Capex and Spectrum Committee which oversee the annual capex spending across the Group
- Completed the Review of Group-wide 3G Network Decommissioned and Fixed Assets Management
- Completed the Review of Group-wide Network Capex Efficiency and Capex Procurement under Collective Brain initiative
- Continuous review of the carrying value of assets and its useful life, and goodwill for impairment in particular those assets which are still on the older technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology roll out
- Reviewed Group Risks and Compliance (cyber security, data privacy, ERM, and Anti-Bribery and Anti-Corruption (ABAC) compliance) initiatives, programmes and the progress during the year
- Reviewed SORMIC enhanced methodology/framework for 2022
- Continuous review of the effectiveness of ABAC controls and operationalisation
- Oversee the Group-wide Internal Audit Mobility Programme for IA talents development, movement and retention
- Continue to support the expansion of "Continuous Auditing" footprint in keeping up with the business digitalisation and IR 4.0 technologies
- Supported Internal Audit to explore artificial intelligence in audits as a pilot initiative to keep Internal Audit relevant with technologies evolution
- Completed the review of Whistleblowing Policy, standard operating procedures (WB SOP) throughout the Group
- Continuous review of security, independence and awareness of whistleblowing channel established by Management for employees and other stakeholders including business partners/ suppliers
- Reviewed the waiver of intercompany advances from Reynolds Holdings Limited to Axiata Group Berhad
- Reviewed and approved changes to Corporate Policies and Limit of Authority (LOA) for Procurement, Corporate Development (Merger & Acquisition), Business Planning, Business Performance and Internal Audit

#### Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2022
- Reviewed the execution of all 2022 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 135 internal audit reviews were completed across the Group
- Supported extensive internal audit assignments Group-wide in the area of Procurement, ABAC High Risk Transactions, Fixed Asset Management and Related Party Transactions which have contributed to improvements in controls across the Group
- Supported relevant competency development of auditors across the Group
- Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and BAC Report for inclusion in the Annual Report to the Board for approval
- Reviewed the quarterly financial results and the financial statements for the year ended 31 December 2022, prior to recommending to the Board for approval
- Discussed and resolved all Key Accounting Matters which arose during the year
- Reviewed the accounting impact and accounting entries arising from merger and acquisition deals and revised accounting policies when required for better governance and controls
- Reviewed the potential exposure of major investments made by the Group

## BOARD COMMITTEES - BOARD ACCOUNTABILITY

### Activities in 2022

- Reviewed compliance by Axiata Group and its Operating Companies with the accounting standards issued by IFRS and incorporated in MFRS
- Reviewed on a quarterly basis the related party transaction entered by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 30th AGM of the Company held on 26 May 2022 and the reporting of these transactions in the 2022 Financial Statements
- During the financial year ended 31 December 2022, Axiata has granted a total of 1,599,400 shares under the Performance Based Long Term Incentive Plan (PBLTIP) (details provided under Note 14 of the Audited Financial Statements) at the Share Reference Price of RM3.85 for 28 February 2022 Restricted Share Plan (RSP) grant. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the PBLTIP) and noted its compliance with the conditions for the allocation of share options/shares as approved
- Held two (2) private meetings with the external auditors on 17 February 2022 and 23 November 2022 without the presence of Management. The topics that were discussed were key matters noted from audits, the sufficiency and adequacy of information provided to external auditors to perform the audit, competencies of the Group Finance personnel and cooperation provided by the Management
- Reviewed and approved appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence
- Reviewed and recommended to the Board the fees payable to the external auditors
- Reviewed and approved the non-audit services to the external auditors after due consideration that the transparency and independence of the external auditors remain intact
- Reviewed business control incidents including fraud
- Reviewed the Whistleblowing Dashboard, investigations outcome and consequence management
- Reviewed governance, risks management and internal controls implementation

### Priorities for 2023

- Continue to review the governance, risks and internal controls on ESG initiatives with the establishment of Board Sustainability Committee in 2022
- Continue to review the effectiveness of ABAC operationalisation in relation to Adequate Procedures (T.R.U.S.T.)
- Continue to review the effectiveness of cyber security, IT systems access and procurement, data privacy and risks management systems
- Review of IT Fixed Assets Management and Revenue Assurance process
- Review of Organisational Culture framework and processes
- Continuous review of the Group Treasury risks and controls in relation to cash in hand, interest earnings, foreign and local debts, compliance to debt covenants and interest expenses optimisation
- Continuous review of the Group foreign currency exposure, impact of currency translation on Axiata Group's Financial Statements consequent to persistent volatile economic environment, geo-political situations, oil price movement, interest rate movement and currency volatility
- Review of Group Financial Statements to reflect the true and fair view of the business results and the financial position of the Group and that they are in line with IFRS and MFRS
- Continue to review the effectiveness of Related Party Transactions (RPT)
- Continuous review of the carrying value of assets and its useful life and goodwill for impairment, in particular those assets which are still on the older technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology roll out
- Review of external auditors audit plan, auditors independence/objectivity, appointment and re-appointment, external audit findings and its closure
- Review of the execution of all 2023 Internal Audit Plan, audit findings and closure of major audit issues
- Continuous enhancement of Internal Audit Function effectiveness, independence, objectivity, resources adequacy and competencies
- Continue to ensure that internal auditors are given the right training on relevant and new competencies such as continuous auditing
- Continue to support Internal Audit in the use of artificial intelligence in audits to keep Internal Audit relevant with technologies evolution
- Support the expansion of "Continuous Auditing" footprint in keeping up with the business digitalisation
- Continuous enhancement of Quality Assurance Review on Internal Audit activities
- Review of Whistleblowing Policy, standard operating procedures (WB SOP) throughout the Group
- Continuous monitoring of security, independence and awareness of whistle blowing channel established by Management for employees, business partners/ suppliers and other stakeholders
- Continuous review of Group-wide Business Controls Incidences (BCIs) Report

## BOARD COMMITTEES



### Board Nomination and Remuneration Committee

#### Members

- Dato Dr Nik Ramlah Nik Mahmood (Chairman) (SINED)
- Khoo Gaik Bee (INED)
- Ong King How (NINED)

#### Nomination

- Oversee the selection and assessment of Directors to ensure that Board composition meets the needs of Axiata
- Propose new nominees to the Board of Directors of Axiata and any Committee of the Board
- Facilitate and review Board induction and training programmes
- Assess Directors on an ongoing basis
- Recommend or approve, as the case may be, the Senior Management of Axiata Group

#### Remuneration

- Recommend to the Board the remuneration of the EDs in all its forms, drawing from outside advice as necessary
- Assist the Board in determining the policy and structure for the remuneration of Directors and Senior Management of Axiata Group
- Administer the Performance-Based Employee Share Option Scheme and Share Scheme (Axiata Share Scheme) in accordance with the Bye-Laws of the Axiata Share Scheme, as approved by shareholders of the Company and the Axiata Long-Term Incentive Plan or such other similar scheme that is put in place from time to time

The Terms of Reference of the BNRC was revised on 24 November 2022 to include the assessment of Directors in accordance with the Fit & Proper Policy and insertion of Key Approval Matrix.

### Activities in 2022

#### Nomination

- Considered the changes to the Board of Axiata involving the appointment of three new Directors in 2022 including one alternate director and appointment of three directors in early 2023
- Reviewed and recommended the proposal for appointment and contract renewal for Key Management
- Reviewed reports on Directors' training including making recommendations thereof
- Reviewed changes proposed in respect of the nomination of Axiata nominee directors on OpCos and key associate company's Boards
- Reviewed and recommended the extension of employment contracts of key personnel of Axiata Group
- Discussed the recommendations of the 2021 BEE and follow-up actions for 2022 BEE
- Succession Planning and Talent Management Review
- Reviewed the suitability of the Directors due for re-election at the 2022 AGM
- Reviewed and recommended the GCEO's succession plan

#### Remuneration

The BNRC considered and recommended to the Board the following matters:

- GCEO KPI 2022 setting

#### Priorities for 2023

- To constantly evaluate and assess the composition of the Board in meeting the necessary skill, experience and competency as determined by the Board skill set matrix and to undertake efforts to fill any gaps that may arise
- To review top Management succession planning
- To monitor follow-up actions based on the 2022 BEE findings and decide on the approach for the 2023 BEE

- GCEO KPI 2021 - Performance Evaluation and Remuneration
- Company Bonus Payment and Salary Review Budget
- 2021 Restricted Share Plan Grant and Vesting
- Reviewed and recommended the reward and retention programme (implementation details) and proposed new compensation framework
- Top Management Remuneration Revision

#### Key Structural Changes to Board Composition

The following key changes to the composition of the Board of Axiata and OpCos occurred during the year 2022 and in early 2023:

- Appointment of Tan Sri Shahril Ridza Ridzuan as Chairman of Axiata
- Appointment of Nurhisham Hussein as NINED of Axiata representing EPF
- Resignation of Syed Ali Syed Salem Alsagoff and appointment of Shahin Farouque Jammal Ahmad as NINED of Axiata representing PNB
- Appointment of Eysa Zulkifli as Alternate Director to Ong King How, a representative of Khazanah on the Axiata Board
- Appointment of Maya Hari as INED of Axiata
- Appointment of Vivek Sood as Group CEO and Managing Director of Axiata
- Appointment of Dr Hans Wijayasuriya as Group Executive Director and CEO of Telecommunications Business of Axiata

- Appointment of Ziad Shatara as CEO and Director of Smart
- Appointments of Nasir Uddin Ahmed and Dr M Sadiqul Islam as Directors of Robi
- Appointment of Rajeev Sethi as CEO of Robi
- Appointment of Dr Sharmini Coorey as Director of Dialog
- Appointments of Asuka Sato, Mohammad Asri Hassan Sabri and Roslina Abdul Rahman as Directors of EDOTCO
- Appointment of Komathi A/P Balakrishnan as Director of Axiata Digital Services Sdn Bhd (ADS)
- Appointments of Vivek Sood as Chairman and Director and Lim See Jeow as Director of Boost Holdings Sdn Bhd
- Appointment of Vivek Sood as Chairman and Director of Axiata Digital & Analytics Sdn Bhd
- Appointments of Dr Hans Wijayasuriya as President Commissioner and Thomas Hundt and Dian Siswarini as Commissioners of Link Net
- Appointments of Dr Hans Wijayasuriya and Vivek Sood as Axiata nominee Directors on the Board of CelcomDigi Berhad (formerly known as Digi.Com Berhad) (a key associate company of Axiata)
- Appointment of Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz as Chairman of CelcomDigi Berhad (formerly known as Digi.Com Berhad)

- Routine matters such as performance bonus, increment for employees and KPIs for GCEO
- To formulate, implement and monitor the proposed Fit & Proper Policy planned to be undertaken by the first half of 2023
- Other new matters proposed by Management/Board

## BOARD COMMITTEES

BRCC

### Board Risk and Compliance Committee

#### Members<sup>2</sup>

- Dr David Robert Dean (Chairman) (INED)
- Dato Dr Nik Ramlah Nik Mahmood (SINED)
- Tan Sri Dr Halim Shafie (INED)
- Vivek Sood

The primary function of the BRCC is to assist Axiata Group Berhad (Axiata or the Group) Board of Directors (Board) to fulfil its responsibilities on risk management, compliance, cyber security and data privacy. The BRCC is responsible for ensuring robust processes are in place for identifying, assessing and monitoring;

- key business risks to safeguard shareholders' investment and the Company's assets;
- cyber security risks and risks relating to data privacy; and
- risks arising from noncompliant practices and behaviours, particularly relating to Anti-Bribery and Anti-Corruption (ABAC) and regulatory compliance matters

#### Roles and Responsibilities

- The BRCC's duties and responsibilities include areas of Enterprise Risk Management (ERM) (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity which include but not limited to requirements imposed by capital market authority, the central bank (e.g. e-money, forex controls, AMLA, etc), Local Authorities (e.g. site permits, health and safety) and domestic trade (e.g. anti-profiteering and commercial dealings of our dealers/ distributors)
- To review and recommend the risk management and compliance methodologies, and risk tolerance levels for the approval by the appropriate authority in accordance with Axiata Limits of Authority
- To review and assess the adequacy and efficiency of the governing policies, framework, and structure in place for managing risks and compliance
- To ensure adequate infrastructure, resources and systems are implemented for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk and compliance management systems perform their responsibilities independently
- To review the management's periodic reports on risk and compliance management activities, exposure and mitigating/remedial actions
- To ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- To ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- To provide advice to the Board on risk and compliance strategies and coordinate the activities of various standing Board committees for risk oversight
- To promote a healthy risk and compliance culture and behaviour that ensures the effectiveness of the risk and compliance management processes (e.g. discourage excessive risk-taking, bribery and corruption due to misaligned KPIs and remuneration schemes)
- To consider other matters relating to risk and compliance management, including relevant legislature applicable in all operating areas of Axiata Group as referred to by the Board or by BRCC on its own accord

#### Activities in 2022

- Continue to monitor and enhance the stature of Data Privacy, Cyber Security, Enterprise Risk, Compliance, Integrity and Ethics with firm maturity targets
- Corporate wide review of the skills and capacity to effectively execute programmes under the Risk & Compliance (R&C) divisions
- Strengthened Governance, Risk and Compliance (GRC) culture via various awareness and training initiatives namely its annual Group Risk & Compliance (GR&C) Conference bearing the theme "Thriving in a VUCA World" and participated by more than 200 participants both at Senior management and Board level across the Group; the inaugural BRCC Chairmen Conference which established a strategic forum and produced valuable insights for leaders that is chaired by the Group BRCC Chairman and attended by all BRCC Chairmen and the R&C community across the Group; the continuous roll out of various mandatory trainings on Data Privacy, Cyber Security, Enterprise Risk Management and ABAC and the quarterly GR&C newsletter for the Axiata Corporate Centre community
- The renewal of the Corruption Free Pledge with the Malaysian Anti-Corruption Commission (MACC) during the Axiata Integrity Month
- The ongoing implementation of the Axiata Anti-Bribery and Anti-Corruption Plan: 2020-2023 and ongoing implementation of Digital Trust & Resilience (DT&R) 2023 strategy
- Embedded and aligned R&C principles in the day-to-day business operations with focus in the areas of M&A activities, third-party risk management and ESG risk. Additionally, continuously aim to ensure alignment of GR&C processes with its distinct verticals namely Cyber Security, Data Privacy, ABAC Compliance and Enterprise Risk Management
- Ensured a robust Cyber Security framework with continuous security monitoring and response delivered through the Group Security Operations Centre (GSOC)
- Reviewed related GR&C policies and framework to align with the latest ISO and other related standards
- Strengthened the governance process with the establishment of SORMIC Methodology for SORMIC
- Continuous review maturity assessment for cyber security and data privacy, GR&C Policies and Limits of Authority (LOA) and implementation of various governance instruments across the business
- Strengthening skills and capabilities amongst the GR&C community with the completion of the Compliance Certification with the International Compliance Association (ICA) in partnership with the University of Manchester (23 personnel); completion of the Certified Integrity Officer training programme with MACC (5 personnel); and completion of the Forrester Zero Trust Certification by the Cyber Security practitioners (24 personnel)
- Fostered cross-collaboration with the OpCos R&C teams to build synergy and teamwork within the R&C fraternity
- Completion of the 3-Year Privacy programme (2020 to 2022) which focused on building foundational Privacy capabilities in Axiata Group

Axiata maintains a risk register and the same is reviewed and updated every quarter. This comprises risks specific to the divisional activities of the business as well as more Group-wide risks affecting its long-term strategy and vision.

The Group has established the ERM framework as a standardised approach to rigorously identify, access, report and monitor risks facing the Group. The framework benchmarked against ISO 31000:2018, is adopted across the Group. A risk reporting structure has been established based on the ERM framework to ensure prompt communication with the BRCC and the Board.

## BOARD COMMITTEES

### Priorities for 2023

- The development and finalisation of the next 3-year Privacy programme (year 2023 to 2025) which will focus on the following:
  - (a) to further strengthen and enhance the Privacy capabilities and compliance level; and
  - (b) to enable Axiata data monetisation strategies in a responsible manner
- Standardisation of the risk metrics and calibration between Data Privacy, Cyber Security, Compliance, Integrity and Ethics with ERM
- Improvements to event monitoring and reporting in cyber security, by expanding the monitoring scope from IT and Telco systems to Applications
- Standardised Architecture and tooling; holistic data security, identity and access management (Zero Trust); and harmonisation of security technologies through Enterprise Security Architecture across the Axiata Group
- Improved standards, security and assurance for Telco infrastructure
- Continuous upskilling of the Compliance Community with the launch of the Governance and Regulatory Academy Group-wide in collaboration with Axiata Learning and Development team
- To conduct an effective testing and maturity assessment on the Corporate Compliance Programme across the Group and the development of the next 3-year ABAC Plan (2024-2026)
- Roll out and operationalisation of ERM tools and framework (Risk Appetite Statement, enhanced risk reporting incorporating emerging risks)
- Enhance ESG capabilities by integrating risk management into the overall ESG programme (identification, monitoring and reporting for TCFD)
- Build resilience by strengthening Business Continuity Management (BCM) and performing simulation and testing exercises across Axiata Group
- Continuous review of the Group Risk and Compliance framework, policy and plans for a system and process of risk and compliance management and ensuring that adequate systems of internal controls are developed, implemented, monitored, maintained and assessed by management in line with the BRCC governance instruments
- Continuous improvements of current cyber security capabilities and control effectiveness, and development of new capabilities through the Group Cyber Fusion Centre in Kuala Lumpur
- Review insurance cover to ensure adequate coverage is applied
- Focus on enhancing technical capabilities within the GR&C fraternity via formal training and professional certification
- Focus on automation and digitisation initiatives with planned roll out of integrated cyber security and ERM risk management systems; the centralised VITAL System that is accessible Group-wide for purposes of tracking and registering Gifts, Donations and Sponsorship activities; and other automation activities within the Compliance Community across the Group to ensure efficiency and data analytics done to curb risks of bribery and corruption
- Review insurance cover to ensure adequate coverage is applied and the enhancement to the SORMIC Assessment Review 2022 to have an integrated approach within GR&C and other assurance functions

## BOARD COMMITTEES

### BSC Board Sustainability Committee\*

#### Members<sup>3</sup>

- Thayaparan S Sangarapillai (Chairman) (INED)
- Khoo Gaik Bee (INED)
- Vivek Sood

#### Sustainability Practices

- Approve Axiata's ESG framework and strategy including related targets, external commitments and KPIs to measure the Group's performance and the internal and external recognition of its ESG performance
- Provide oversight and monitor the execution of Axiata's ESG framework and strategy, and the Group's progress on its long-term sustainability and climate goals and targets, including progress in relation to sustainability material matters and achieving the net-zero commitment no later than 2050
- Provide guidance and oversight, and if required recommend to the Board, proposals by the Management on key policies, programmes and any partners required to implement the ESG framework and strategy
- Provide advice and direction to the Group's Management on:
  - Organisational/strategic alignment: Bringing to life Axiata's aspiration of Advancing Asia and supporting the Group's and Operating Companies' corporate strategy through the ESG framework and strategy as well as management of material matters;
  - ESG overall: Implementation of the ESG framework and strategy, the opportunities and risks to the Group's operations and reputation; and
  - Climate change: Implementation of the Net-Zero Carbon Roadmap to achieve commitment of net-zero no later than 2050 and deliver intermediate targets, consistent science-based approach
- Receive updates at least twice a year or as and when required, on ESG matters including the progress of implementation and performance of the ESG framework and strategy
- Review external sustainability and climate-related reporting and disclosure, sustainability statement in the Annual Report and the annual Sustainability and National Contribution Report

- That the foregoing complies with the relevant provisions of the Main LR of Bursa Securities as well as the applicable code of corporate governance in force at the material times

#### Annual Report Preparation

- Review and approve the design, concept and structure of the annual report and other related reports
- Review and approve the overall content of the annual report and ensure compliance with the Main LR of Bursa Securities, as well as the applicable code of corporate governance in force at the material times
- Review and recommend for the Board's approval the related statements in the annual report as required by the Main LR of Bursa Securities, some of which may require prior review by the Board Audit Committee or other Board Committee of Axiata
- Review and recommend for the Board's approval additional disclosures to be made in the annual report taking into account the Company and Group's position at any particular time and set the best disclosure framework to reflect the performance and image of the Company which is vital to the shareholders and stakeholders who are the ultimate recipients of the annual report

On 8 April 2022, the Axiata Board resolved to rename the Board Annual Report Committee (BARC) as the Board Sustainability Committee with expanded roles and responsibilities which includes the oversight of the Sustainability Practices of the Group and preparation of the Integrated Annual Report Suite.

#### Activities in 2022

The BSC met seven times in the year under review, including four times as the BARC, and among the matters discussed were:

- Reviewing and approving of the IAR suite
- Refreshing and endorsing the Sustainability Framework
- Reviewing Axiata sustainability performance and activities
- Receiving progress on Axiata's Net-Zero Carbon Roadmap roll out
- Commencing of TCFD adoption recommendations
- Tracking responses to local and global trends and developments pertaining to sustainability

### AEIB Axiata Enterprise Investment Board Committee

#### Members<sup>4</sup>

- Dr David Robert Dean (Chairman) (INED)
- Thayaparan S Sangarapillai (INED)
- Dr Hans Wijayasuriya
- Ong King How (NINED)

- Approve investments in enterprise business up to USD15.0 million
- Approve divestment of enterprise business up to USD15.0 million provided it is an investment previously approved by AEIB
- Approve all M&A related expenses to be incurred by Axiata or by related OpCo pursuant to the foregoing matters, provided that such expenses have been budgeted and approved by Axiata Enterprise division, Axiata or the respective OpCo as the case may be

#### Activities in 2022

Following from a number of acquisitions undertaken in 2020 and 2021, the Board and the AIEB have decided to focus on the performance, integration and growth of the acquired businesses in addition to considering new acquisitions. As such, there was no reason for the convening of any meetings of the AEIB in 2022.

 The roles and responsibilities of AEIB and BSC are available online, please visit [www.axiata.com/our-business/corporate-governance](http://www.axiata.com/our-business/corporate-governance)

Notes: \* Previously known as the Board Annual Report Committee. The renaming and rescope of the committee took effect from 8 April 2022

<sup>3</sup> Dato' Izzaddin Idris resigned from the BSC upon his cessation as Director. Vivek Sood was appointed as member of BSC on 1 June 2022.

<sup>4</sup> Dato' Izzaddin Idris and Syed Ali Syed Salem Alsagoff resigned from the AEIB upon their respective cessation/resignation as Directors. Dr Hans Wijayasuriya and Ong King How were appointed as members of AEIB on 1 June 2022 and 29 December 2022 respectively.

## INTERNAL CONTROL AND RISK MANAGEMENT

RCMC

Risk and Compliance Management Committee

### Members<sup>5</sup>

- Vivek Sood
- Dr Hans Wijayasuriya
- Asri Hassan Sabri
- Thomas Hundt
- Anthony Rodrigo
- Norlida Azmi
- Lila Azmin Abdullah
- Tan Gim Boon
- Abid Abdul Adam

### Roles

- The RCMC's responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity and Telecommunication Regulatory Compliance, which includes but is not limited to requirements imposed by capital markets authority, Central Bank (e.g. e-money, forex controls, AMLA, etc.), Local Authorities (e.g. site permits, health and safety) and domestic trade ministry (e.g. anti-profiteering and commercial dealings of our dealers/distributors)
- Ensure the Group (which includes all its subsidiaries/ OpCos) adopts sound and effective policies, procedures and practices for all its Risk and Compliance functions and ensure adequate testing to improve its resilience and preparedness for any eventualities
- Review and recommend the risk management and compliance methodologies, policies (including framework) and risk tolerance levels for the approval of the appropriate authority in accordance with Axiata's Limits of Authority
- Review and assess the adequacy of the governing policies, framework and structure in place for managing risk and compliance as well as the extent to which these are operating effectively
- Review the management's periodic reports on risk and compliance management activities, exposure and mitigating/remedial actions
- Ensure adequate infrastructure, resources, and systems for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk and compliance management systems perform their responsibilities independently of the risk-taking activities
- Ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment
- Review the risk and compliance matters highlighted by the Group Chief Risk and Compliance Officer on all strategic or investment transactions such as a merger, acquisition, partnership, joint venture, etc., independently to identify any bribery and corruption risks, and compliance matters in relation to the transaction. Such risk and compliance matters should also be reported to the BRCC periodically or as required
- Monitor and provide regular updates to the BRCC on ABAC compliance and integrity related matters

### Responsibilities

- Ensure ongoing awareness programmes, communication, training and education on risk and compliance management
- Provide advice to the BRCC on risk and compliance strategies and coordinate the activities of various management committees for risk oversight
- Promote a healthy risk and compliance culture and behaviour that ensures the effectiveness of the risk and compliance management processes (e.g., discourage excessive risk-taking, bribery and corruption due to misaligned KPIs and remuneration schemes)
- Consider other matters relating to risk and compliance management, including relevant legislation applicable in all operating areas of the Group as referred to by the Board or by the BRCC
- Assess the results of the ABAC monitoring activities conducted regularly based on the risk-based compliance plan

### Activities in 2022

- Quarterly RCMC meetings were held in 2022 to discuss the Group's risk agenda
- Key deliberations and risk and compliance activities in the year include:
  - Group and OpCos risk and business impact review in view of the Russia-Ukraine war; the geo-political risks in Sri Lanka; supply chain and forex risks and the relevant mitigation strategy (where applicable)
  - Continuous assessment of cyber threat and risks faced by the Group on protecting and safeguarding the data privacy of our customers, employees and other stakeholders
  - Successful completion of the maturity assessment of the Business Continuity Programme across Axiata Group
  - Review of the ERM policy and framework
  - Monitored the progress of the Privacy programme which was completed in the 4th Quarter of 2022 which led to the successful achievement of 3.0 in its aggregate maturity level and an overall improvement of 44% as compared to Year 1 (2020) maturity level
  - Reviewed the Corruption Risk Register for key business units/functions in Axiata and reporting on compliance monitoring and evaluation activities conducted for Financial Year 2022
- Monitored the implementation of the ABAC Plan Financial Year 2022
- Participated in the Axiata Integrity Month 2022 and participation in awareness sessions on Corruption Risk Assessment and Winning an Ethical Culture together with the Board, BRCC at Axiata and OpCos
- Reviewed the independent security assessment of the Digital Telco businesses in Axiata to ascertain any exposures
- The successful launch of the Cyber Fusion Centre, a world-class cyber security defence for Axiata's network and assets
- Enhanced Data Privacy and Cyber Security Governance
- Ensured a Robust Cyber Security Framework
- Strengthened Cyber Risk Management
- Maintained Threat Detection programmes
- Leveraged on Advanced Technology to drive our Cyber Security capabilities
- Assessed the adequacy of our Employees' and Vendors' Cyber Capabilities
- Strengthened our Cyber Partner Ecosystem

### Priorities for 2023

- RCMC will play an integral role in the review and deliberation of risk and compliance, ESG related matters prior to any escalation to Group BRCC
- Review and endorsement on the ERM Policy and Framework which included the Risk Appetite Statement
- Review of the Cyber Security, Data Privacy, Compliance, Integrity and Ethics 3-year plan
- Enhancement of the Integrated Risk and Compliance governance function for the Group and OpCos
- Ensuring the Group Risk and Compliance programmes are effective and progressively improving to reach its planned maturity levels and reported at Group BRCC on a quarterly basis
- Promoting progressive risk and compliance culture and behaviours across the organisation through Group risk and compliance programmes and forums, purpose made e-learning training modules, active staff engagement and continuous strengthening on the skills and capabilities of the Risk and Compliance community across the Group



## COMMUNICATION WITH STAKEHOLDERS

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges the importance of effective communication channels between the Board, stakeholders, institutional investors and the investing public at large to provide a clear and complete picture of the Group's performance and position as much as possible.

The Board is therefore fully committed to maintaining high standards in the dissemination of relevant and material information on the developments of the Group in view of its commitment to effective,

comprehensive, timely and continuous disclosures. Disclosures of corporate proposals and/or financial results are made not only in compliance with the Main LR of Bursa Securities but additionally include items through media releases, sent on a voluntary basis.

Axiata uses a number of formal channels to account to shareholders and stakeholders particularly:

#### Direct Shareholder Communication and Engagement

- The Integrated Annual Report, Sustainability and National Contribution Report, Governance and Audited Financial Statements and Notice of AGM - Website/Print at Request/Press Advertisement
- Website updates on all corporate communication
- Announcements to Bursa Securities

#### Communication via Mass Media

- Press Conference on Financial Results and Corporate Developments
- Media Release on Financial Results and Corporate Developments
- Media Interviews on Corporate Developments
- Media Engagements and Networking
- Social Media Reach and Engagement on all key channels
- Media Outreach and Education

#### Communication to Analysts and Investors

- Analyst and Investor Day
- Analyst/Investor Meetings
- Conference Calls on Financial Results and Corporate Development
- Investor Relations Website
- Conferences/Non-Deal Roadshows
- 25 Equity Research Coverage

### INVESTOR RELATIONS

Conferences, non-deal roadshows (NDR), large group meetings and one-on-one meetings

5 January  
CGS - CIMB 14<sup>th</sup> Annual  
Malaysia Corporate Day

4 March  
18<sup>th</sup> Annual Nomura ASEAN  
Conference

8 March  
CITIC CLSA ASEAN Forum

13 April  
JP Morgan ASEAN TMT 1x1  
Forum

13 June  
CLSA Invest Malaysia UK

21 June  
UOB Kay Hian New Economy  
Conference

30 June  
Morgan Stanley ASEAN  
Conference

4 July  
Maybank Invest ASEAN 2022

13 September  
CLSA Investors' Forum 2022

16 November  
Morgan Stanley 21<sup>st</sup> Asia  
Pacific Summit

2 December  
Axiata Analyst & Investor  
Day 2022

### Annual General Meeting and Extraordinary General Meeting (General Meetings)

- Since the start of the COVID-19 pandemic in 2020, Axiata had successfully convened its AGMs and EGMs as virtual meetings conducted via live streaming as guided by the Guidance FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. In 2022, Axiata continues to convene two EGMs in addition to its 30<sup>th</sup> AGM as virtual meetings from a broadcast venue conducted via live streaming
- Members had joined the General Meetings online and remotely and also voted electronically using the Remote Participation and Voting (RPV) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website
- Shareholders and proxies of Axiata were able to submit their questions electronically via the TIIH Online website before and during the General Meetings
- In 2020, Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by the Minority Shareholders Watch Group (MSWG) to do so. Axiata had maintained the practice of appointing an Independent Moderator for its 30<sup>th</sup> AGM and EGMs held in 2022

- All questions from shareholders received by Axiata were addressed at the 30<sup>th</sup> AGM and EGMs held in 2022, and the list of questions and answers had been made available with the Minutes of the aforesaid General Meetings on Axiata's website within 30 business days from the meeting date
- The General Meeting had also served as the primary engagement platform between the Board and the Shareholders of the Company
- Shareholders were given 28 days' notice for the 30<sup>th</sup> AGM held on 26 May 2022
- Shareholders were given 14 days' notice for the EGM held on 26 May 2022 and 20 days' notice for the EGM held on 18 November 2022
- Business presentations were made by the Managing Director/President & Group Chief Executive Officer or Joint Acting Group Chief Executive Officers at the General Meetings
- An enhanced and electronic fully virtual e-voting process via RPV
- Electronic poll voting on all resolutions and immediate announcement of results were also undertaken at the General Meetings
- The full recording of the General Meetings Webcast had been made available on Axiata's website

## COMMUNICATION WITH STAKEHOLDERS

### Financial Calendar

#### Financial Results

25

May  
2022

Unaudited consolidated results for the first quarter ended 31 March 2022

26

August  
2022

Unaudited consolidated results for the second quarter and half-year ended 30 June 2022

25

November  
2022

Unaudited consolidated results for the third quarter ended 30 September 2022

23

February  
2023

Unaudited consolidated results for the fourth quarter and financial year ended 31 December 2022

28

March  
2023

Issuance of audited financial statements for the financial year ended 31 December 2022

#### Dividends

3

March  
2022

Notice of Entitlement of Interim Tax-Exempt Dividend under Single-Tier System of 5.5 sen per Ordinary Share

18

March  
2022

Date of Entitlement of Interim Tax-Exempt Dividend under Single-Tier System of 5.5 sen per Ordinary Share

28

March  
2022

Payment of Interim Tax-Exempt Dividend under Single-Tier System of 5.5 sen per Ordinary Share

14

December  
2022

Notice of Entitlement of Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share and Special Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share

30

December  
2022

Date of Entitlement of Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share and Special Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share

20

January  
2023

Payment of Interim Tax-Exempt Dividend under Single-Tier System of 5.0 sen per Ordinary Share and Special Tax-Exempt Dividend under Single-Tier System of 4.0 sen per Ordinary Share

## EMPOWERING WOMEN THROUGH LITERACY EDUCATION

Implementing enrichment programmes for women from marginalised communities, such as this Women Adult Literacy Programme in Nepal

**WOMEN ADULT LITERACY PROGRAMME, NCELL**



**ADDITIONAL INFORMATION**

## CORPORATE INFORMATION

**BOARD OF DIRECTORS****Tan Sri Shahril Ridza Ridzuan***Chairman, Independent Non-Executive Director***Vivek Sood***Group Chief Executive Officer and Managing Director***Dr Hans Wijayasuriya***Group Executive Director and  
Chief Executive Officer of Telecommunications Business***Dato Dr Nik Ramlah Nik Mahmood***Senior Independent Non-Executive Director***Dr David Robert Dean***Independent Non-Executive Director***Khoo Gaik Bee***Independent Non-Executive Director***Thayaparan S Sangarapillai***Independent Non-Executive Director***Tan Sri Dr Halim Shafie***Independent Non-Executive Director***Maya Hari***Independent Non-Executive Director***Ong King How***Non-Independent Non-Executive Director  
(Representative of Khazanah Nasional Berhad)***Nurhisham Hussein***Non-Independent Non-Executive Director  
(Representative of Employees Provident Fund)***Shahin Farouque Jammal Ahmad***Non-Independent Non-Executive Director  
(Representative of Permodalan Nasional Berhad)***Eysa Zulkifli***Alternate Director to Ong King How***GROUP COMPANY SECRETARY**Suryani Hussein  
LS0009277**REGISTERED OFFICE**Level 5, Corporate Headquarters  
Axiata Tower, 9 Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Tel : +603 2263 8888  
Fax : +603 2263 8903**WEBSITE**

www.axiata.com

**INVESTOR RELATIONS**Tel : +603 2263 8584  
Fax : +603 2278 3337  
Email : ir@axiata.com**STOCK EXCHANGE LISTING**Listed on Main Market of  
Bursa Malaysia Securities Berhad  
Listing Date : 28 April 2008  
Stock Code : 6888  
Stock Name : Axiata  
Stock Sector : Telecommunications & Media**SHARE REGISTRAR**Tricor Investor & Issuing House Services Sdn Bhd  
Registration No.: [197101000970 (11324-H)]Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Tel : +603 2783 9299  
Fax : +603 2783 9222  
Email : is.enquiry@my.tricorglobal.com**AUDITORS**PricewaterhouseCoopers PLT  
(LLP0014401-LCA & AF 1146)Level 10, Menara TH 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral, P O Box 10192  
50706 Kuala Lumpur, Malaysia  
Tel : +603 2173 1188  
Fax : +603 2173 1288  
Email : my\_info@pwc.com

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIRST ANNUAL GENERAL MEETING OF AXIATA GROUP BERHAD (“AXIATA” OR “COMPANY”) WILL BE HELD AS A VIRTUAL MEETING CONDUCTED ENTIRELY THROUGH LIVE STREAMING AND REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING FACILITIES FROM THE BROADCAST VENUE AT AUDITORIUM, LEVEL 32, AXIATA TOWER, 9 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON FRIDAY, 26 MAY 2023 AT 9.30 A.M. FOR THE FOLLOWING PURPOSES:**

### AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Report of the Directors and the Auditors thereon.
- To re-elect the following Directors, each of whom retires by rotation pursuant to Clause 104 of the Constitution of the Company (“Constitution”) and being eligible, offers himself/herself for re-election:

- |                  |                                |
|------------------|--------------------------------|
| i) Khoo Gaik Bee | <b>(Ordinary Resolution 1)</b> |
| ii) Ong King How | <b>(Ordinary Resolution 2)</b> |

Tan Sri Dr Halim Shafie who retires by rotation pursuant to Clause 104 of the Constitution has expressed his intention of not seeking re-election. Hence he will retain office until the conclusion of the 31<sup>st</sup> Annual General Meeting.

- To re-elect the following Directors, each of whom retires pursuant to Clause 110 (ii) of the Constitution and being eligible, offers himself/herself for re-election:
 

i) Shahin Farouque Jammal Ahmad	<b>(Ordinary Resolution 3)</b>
ii) Maya Hari	<b>(Ordinary Resolution 4)</b>
iii) Vivek Sood	<b>(Ordinary Resolution 5)</b>
iv) Dr Shridhir Sariputta Hansa Wijayasuriya	<b>(Ordinary Resolution 6)</b>

- To approve the following payment by the Company:

- Directors’ fees with effect from the 31<sup>st</sup> Annual General Meeting until the next Annual General Meeting:

	Non-Executive Chairman (“NEC”)/ per month (RM)	Non-Executive Director (“NED”)/ per month (RM)
i) Directors’ fees	30,000.00	20,000.00
ii) Directors’ fees of the Board Audit Committee	9,000.00	4,000.00
iii) Directors’ fees of the Board Nomination & Remuneration Committee	5,000.00	3,000.00
iv) Directors’ fees of the Board Risk & Compliance Committee	9,000.00	4,000.00
v) Directors’ fees of the Board Sustainability Committee	2,500.00	1,500.00

(each of the foregoing payments being exclusive of the others).

- Benefits payable to NEC and NEDs from the 31<sup>st</sup> Annual General Meeting until the next Annual General Meeting. **(Ordinary Resolution 7)**
- To approve the payment of fees and benefits payable by the subsidiaries to the NEDs of the Company from the 31<sup>st</sup> Annual General Meeting until the next Annual General Meeting. **(Ordinary Resolution 8)**
  - To re-appoint PricewaterhouseCoopers PLT having consented to act as the Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 9)**

## NOTICE OF ANNUAL GENERAL MEETING

### AS SPECIAL BUSINESS:

#### 7. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“**THAT**, in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Main LR”), approval be and is hereby given for Axiata and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, as set out in Appendix I of the Circular to Shareholders dated 27 April 2023 (“Circular”) which is made available together with the Company’s Integrated Annual Report 2022 at <https://www.axiata.com/investors/agm/> which are necessary for the day-to-day operations in the ordinary course of the business of Axiata and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of Axiata;

**THAT** such approval will continue to be in force and effect until:

- i) The conclusion of the next Annual General Meeting at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- ii) The expiration of the period within which the next Annual General Meeting is required to be held under Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- iii) Revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

**AND THAT** the Directors be and are hereby authorised to complete and do all such acts, deeds and things (including without limitation, to execute such documents under the common seal in accordance with the provisions of the Constitution, as may be required) to give effect to the aforesaid shareholders’ mandate and transactions contemplated under this resolution.”

**(Ordinary Resolution 10)**

8. To transact any other ordinary business for which due notice has been given in accordance with the Constitution and the Companies Act 2016.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 31<sup>st</sup> Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 75 of the Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors as at 19 May 2023. Only a depositor whose name appears in the General Meeting Record of Depositors as at 19 May 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

### By Order of the Board

**Suryani Hussein** (LS0009277)

Group Company Secretary  
Kuala Lumpur, Malaysia

27 April 2023

### NOTES:

#### Virtual Meeting

1. *The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and Clause 72(i) of the Company’s Constitution which stipulate that the Chairman of the meeting shall be present at the main venue of the 31<sup>st</sup> Annual General Meeting (“AGM”) and in accordance with Clause 72(ii) of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members to attend and exercise their right to speak and vote at the general meeting.*
2. *No shareholders from the public are permitted to be physically present nor to be admitted at the Broadcast Venue on the day of the 31<sup>st</sup> AGM.*
3. *Shareholders and proxies will have to register to attend the 31<sup>st</sup> AGM remotely by using the Remote Participation and Voting Facilities (“RPV”) according to the procedures as set out in the Administrative Notes.*
4. *Shareholders and proxies may raise questions before the 31<sup>st</sup> AGM to the Chairman or Board of Directors via our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”)’s TIH Online website at <https://tiah.online>, by selecting ‘e-Services’ to login and submit the questions electronically not later than Thursday, 25 May 2023 at 9.30 a.m. The Chairman or Board of Directors will endeavour to address the questions received at the 31<sup>st</sup> AGM.*
5. *Shareholders and proxies may also pose questions via real time submission of typed text at the 31<sup>st</sup> AGM via Tricor’s TIH Online website at <https://tiah.online>, by selecting ‘e-Services’ to login and submit the questions electronically.*

#### Proxy and/or Authorised Representative

1. *A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead.*

## NOTICE OF ANNUAL GENERAL MEETING

2. *The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 41 of the Constitution in relation to the Record of Depositors made available to the Company.*
3. *A Member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a Member appoints two proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.*
4. *Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

*Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.*

5. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall:-*
  - a) *in the case of an individual, be signed by the appointer or by his/her attorney; or*
  - b) *in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.*

*If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".*

*Any alteration to the instrument appointing a proxy must be initialled.*

7. *In view that this is a virtual meeting, we strongly advise the members who are unable to attend, speak and vote at this 31<sup>st</sup> AGM via the RPV to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.*
  - a) *Where a member of the Company is an authorised nominee as defined in the SICDA, the beneficial owner of the shares held by the authorised nominee may request the authorised nominee to appoint him/her as a proxy to attend, speak and vote remotely via the RPV at the 31<sup>st</sup> AGM.*

- b) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), each beneficial owner of the shares or where the shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the exempt authorised nominee to appoint the Chairman of the meeting to attend and vote remotely at the 31<sup>st</sup> AGM via the RPV on his/her/their behalf.*
- c) *Authorised nominees, Exempt Authorised Nominee and corporate members are to refer to the Administrative Notes for the 31<sup>st</sup> AGM for further details.*
8. *A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 101 of the Constitution. Pursuant to Section 333(3) of the Companies Act 2016, if the corporation authorises more than one person, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company. However, if more than one of the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.*
9. *The instrument appointing a proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than Thursday, 25 May 2023 at 9.30 a.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online website at <https://tiah.online> no later than Thursday, 25 May 2023 at 9.30 a.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes.*
10. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote on poll.*

### Audited Financial Statements

11. *The Audited Financial Statements for financial year ended 31 December 2022 ("FY22") under Agenda 1 are laid before the shareholders pursuant to the provisions of Section 340(1) of the Companies Act 2016 for discussion only and will not be put forward for voting.*

## NOTICE OF ANNUAL GENERAL MEETING

### Re-election of Directors who retire pursuant to Clauses 104 and 110(ii) of the Constitution

12. Clause 104 provides that one-third of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company. All the Directors shall retire from office at least once in three years but shall be eligible for re-election. Khoo Gaik Bee and Ong King How are standing for re-election as Directors and being eligible, have offered themselves for re-election. Tan Sri Dr Halim Shafie who is also retiring by rotation has expressed his intention of not seeking re-election. He will retain office until the conclusion of the 31<sup>st</sup> AGM.

Clause 110 (ii) provides that any Director appointed during the year shall hold office only until the next following AGM and shall then be eligible for re-election. Shahin Farouque Jammal Ahmad and Maya Hari, who were appointed on 26 August 2022 and 11 January 2023 respectively as well as Vivek Sood and Dr Shridhir Sariputta Hansa Wijayasuriya, both of whom were appointed on 24 March 2023 are standing for re-election as Directors of the Company.

The Board has recommended the re-election of the abovementioned Directors. The assessment of Khoo Gaik Bee, Ong King How and Shahin Farouque Jammal Ahmad are provided in the Corporate Governance Overview Statement on page 93 of the Integrated Annual Report 2022. While the assessment of Maya Hari, Vivek Sood and Dr Shridhir Sariputta Hansa Wijayasuriya as fit and proper persons were conducted in compliance with Axiata's Fit & Proper Policy prior to their respective appointments this year. The Board noted the satisfactory result of the assessments and approved their appointments to the Board of Axiata. Their profiles are set out in the Profile of Directors' section of the Governance & Audited Financial Statements 2022 ("GAFS") from pages 4 to 10.

Any Director referred to in Ordinary Resolutions 1 to 6 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 31<sup>st</sup> AGM.

### Directors' Fees and Benefits Payable by the Company

13. a) Clause 117(i) of the Constitution provides that the fees of Director and the benefits payable to the Directors shall be subject to annual shareholder approval at a meeting of members. Therefore, shareholders' approval is required for the payment of Directors' remuneration.

Shareholders' approval on the Directors' fees for Board and Board Committees and benefits payable was obtained at the 30<sup>th</sup> Annual General Meeting held on 26 May 2022 and there is no revision to any of the fees. Details of Directors' fees and benefits paid to NEDs are set-out on page 11 of the GAFS.

b) Approval of the shareholders is sought pursuant to Section 230(1) of the Companies Act 2016, stipulating amongst others, that the fees and benefits payable to the directors of a listed company shall be approved at a general meeting. The benefits payable to the NEDs shall comprise the following:-

#### i) Meeting Allowance

Board/Board Committees	Meeting Allowance (RM)	
	NEC	NED
Board of Directors	3,000.00	2,000.00
Board Audit Committee	3,000.00	2,000.00
Board Nomination & Remuneration Committee	1,500.00	1,000.00
Board Risk & Compliance Committee	3,000.00	2,000.00
Board Sustainability Committee	1,500.00	1,000.00
Other Board Committees	1,500.00	1,000.00

For reference, the amount of Meeting Allowances paid to NEDs of Axiata for Board and Board Committee meetings based on number of meetings held in FY22 are disclosed on page 11 of the GAFS.

ii) Benefits such as annual overseas business development trips, leave passage, travel allowance, travel allowance for Non-Resident NEDs, equipment, telecommunication facilities, insurance and medical.

At the 29<sup>th</sup> AGM of the Company held on 15 June 2021, the Shareholders approved the extension of Travel Allowance for Non-Resident NEDs for their attendance at Board and Board Committee Meetings virtually.

The rate of Travel Allowance is as follows:

Place of Residence	Travel Allowance (USD)
South Asia/Asia Pacific/Central Asia	1,000.00 per trip
Europe/Africa/Middle East	2,000.00 per trip
North/Central/South America	3,000.00 per trip

The total extended Travel Allowance paid in 2022 is RM105,753.80.

Following the easing of COVID-19 travel restrictions from the second half of 2022, the extension of travel allowance for virtually attended meetings have tapered following an increase in physical attendance at meetings from the easing of travel restrictions.

c) Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 7 regarding the Directors' Fees and Benefits Payable by the Company.



## NOTICE OF ANNUAL GENERAL MEETING

### Directors' Fees and Benefits Payable by the Subsidiaries

14. Approval of the shareholders is sought to comply with the provisions of Section 230(1) of the Companies Act 2016, stipulating amongst others, that the fees and benefits payable to the directors of a listed company by the subsidiaries shall be approved at a general meeting. Any decision in respect of the Directors' remuneration of the following subsidiaries will be made by the shareholders of these companies in accordance with the laws applicable in their respective jurisdiction.

#### i) Fees and Meeting Allowance

Company	Designation	Monthly Fees (RM unless indicated otherwise)				Meeting Allowance per Meeting (RM unless indicated otherwise)				
		Board of Directors	BAC	BRCC	BNRC/ BNC/BRC	Board of Directors	BAC	BRCC	BNC/BRC	Other Committees
PT XL Axiata Tbk.	President/ Chairman	IDR135M	IDR30M	IDR25M	-	IDR6M	-	-	-	-
	BOC, Member	IDR92M	IDR10M – IDR72M	IDR10M	IDR66M	IDR6M	-	-	-	-
Dialog Axiata PLC	NEC	USD1,463.00	-	-	-	USD975.00 (AGM: USD650.00)	USD975.00	USD490.00	USD490.00 (BNC & BRC)	USD490.00
	NED	USD1,125.00	-	-	-	USD750.00 (AGM: USD500.00)	USD750.00	USD375.00	USD375.00 (BNC & BRC)	USD375.00
Robi Axiata Limited	NEC	BDT315,000	BDT73,500	BDT73,500	BDT42,000	BDT21,000	BDT21,000	BDT21,000	BDT15,750	BDT15,750
	NED	BDT157,500	BDT31,500	BDT31,500	BDT25,200	BDT14,700	BDT14,700	BDT14,700	BDT10,500	BDT10,500
Ncell Axiata Limited	NEC	USD2,500.00	-	-	-	USD300.00	USD300.00	USD225.00	-	-
	NED	USD2,000.00	-	-	-	USD200.00	USD200.00	USD150.00	-	-
edotco Group Sdn Bhd	NEC	8,000.00	-	-	-	1,000.00	1,000.00	350.00	750.00	350.00
	NED	6,000.00	-	-	-	700.00	700.00	250.00	500.00	250.00
Smart Axiata Co., Ltd	NEC	USD1,200.00	-	-	-	USD300.00	USD300.00	USD150.00	USD150.00	-
	NED	USD1,200.00	-	-	-	USD300.00	USD300.00	USD150.00	USD150.00	-

\* Revision as approved and recommended by the Board of Directors of Robi in September 2022 in accordance with Axiata Group framework.

## NOTICE OF ANNUAL GENERAL MEETING

- ii) *Other customary benefits not available and/or provided by Axiata prevalent in these respective jurisdictions. Additionally, any benefit in the form of travel allowance payable by subsidiaries to Non-Resident NEDs for attending meetings shall have the application of the same similarly extended to attendance virtually as indicated in Note 13(b)(ii) above.*

### Notes:

*For reference on the directorship of Axiata NEDs on the Board of subsidiaries and amount paid for the FY22, please refer to page 11 of the GAFS. Factors affecting the total amount include the number of meetings held for the Board and Board Committees and the number of NEDs involved in these meetings. Any new appointments of Axiata NED on the Board of subsidiaries post the 31<sup>st</sup> AGM will have the same rates applied as set out above.*

*Payment of fees and benefits in Notes 13 and 14 will be made by the Company and the respective subsidiary on a monthly basis and/or as and when incurred.*

- iii) *Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 8 regarding the Directors' Fees and Benefits Payable by the Subsidiaries.*

### Re-appointment of Auditors

15. *The Company and the BAC have undertaken an External Auditors Evaluation and Rotation Assessment to assess the performance of external auditors. This assessment is undertaken when deciding on the re-appointment of external auditors and takes into account the following criteria:*

1. *Independence*
2. *Scope of audit*
3. *Audit fee*
4. *Expertise and experience*
5. *Methodologies, techniques and audit facilities*
6. *Performance based on the annual audit scope and planning*

*The BAC and the Board had, at meetings both held on 21 March 2023, evaluated the re-appointment of PricewaterhouseCoopers PLT ("PwC") as Auditors of the Company, in the course of which the criteria of assessment were duly considered. The BAC and the Board were satisfied with the performance of PwC based on the criteria of assessment and that the requirements for consideration as prescribed under Paragraph 15.21 of the Main LR are duly met. A recommendation is made for the re-appointment of PwC as external auditors of the Company for the financial year ending 31 December 2023, in accordance with Sections 273(b), 340(1)(c) and Section 274(1)(a) of the Companies Act 2016.*

### EXPLANATORY NOTES - SPECIAL BUSINESS

#### **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

*The proposed Ordinary Resolution 10, if approved, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at such general meeting. Detailed information on the Proposed Shareholders' Mandate is set out in the Circular.*

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) Main Market Listing Requirements of Bursa Malaysia Securities Berhad

### **DIRECTORS STANDING FOR RE-ELECTION AT THE 31<sup>ST</sup> ANNUAL GENERAL MEETING**

The following are Directors retiring pursuant to Clause 104 and Clause 110(ii) of the Company's Constitution and standing for re-election.

Clause 104: Retirement by rotation

1. Khoo Gaik Bee
2. Ong King How

Clause 110(ii): Retirement after appointment to fill casual vacancy

1. Shahin Farouque Jammal Ahmad
2. Maya Hari
3. Vivek Sood
4. Dr Shridhir Sariputta Hansa Wijayasuriya

The profiles of the above Directors are set out in the Profile of Directors' section of the Governance and Audited Financial Statements 2022 ("GAFS") from pages 4 to 10.

Save for Vivek Sood and Dr Shridhir Sariputta Hansa Wijayasuriya ("Dr Hans Wijayasuriya"), none of the above Directors have any interest in the securities of the Company and its related corporation. The interest of Vivek Sood and Dr Hans Wijayasuriya in the securities of Axiata and Dialog are disclosed on page 266 of the GAFS.

# PROXY FORM

(Before completing the form, please refer to the notes overleaf)

**“A”** I/We, \_\_\_\_\_  
(NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_ (COMPANY NO.) \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

\_\_\_\_\_ (TELEPHONE/MOBILE NO.) \_\_\_\_\_

being a Member/Members of **AXIATA GROUP BERHAD** hereby appoint \_\_\_\_\_  
(NAME AS PER NRIC IN CAPITAL LETTERS)

with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting\*, as my/our **first** proxy to vote for me/us on my/our behalf at the 31<sup>st</sup> Annual General Meeting of **AXIATA GROUP BERHAD** to be held as a virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities from the Broadcast Venue at Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Friday, 26 May 2023 at 9.30 a.m. or at any adjournment thereof.

**“B”** If you wish to appoint a second proxy, please complete this section.

I/We, \_\_\_\_\_  
(NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_ (COMPANY NO.) \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

\_\_\_\_\_ (TELEPHONE/MOBILE NO.) \_\_\_\_\_

being a Member/Members of **AXIATA GROUP BERHAD** hereby appoint \_\_\_\_\_  
(NAME AS PER NRIC IN CAPITAL LETTERS)

with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting\*, as my/our **second** proxy to vote for me/us on my/our behalf at the 31<sup>st</sup> Annual General Meeting of **AXIATA GROUP BERHAD** to be held as a virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities from the Broadcast Venue at Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Friday, 26 May 2023 at 9.30 a.m. or at any adjournment thereof.

Note:

\*Strike out if inapplicable

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:	
	Percentage (%)
Proxy* "A"	
Proxy* "B"	
<b>TOTAL</b>	100%

\* Please fill in the proportion of the holding to be presented by each proxy

My/Our proxy/proxies is/are to vote as indicated below:

Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote or abstain at his/her discretion.

	Resolutions	Proxy "A"		Proxy "B"	
		For	Against	For	Against
1.	<b>Ordinary Business</b> Ordinary Resolution 1 - Re-election of Khoo Gaik Bee				
2.	Ordinary Resolution 2 - Re-election of Ong King How				
3.	Ordinary Resolution 3 - Re-election of Shahin Farouque Jammal Ahmad				
4.	Ordinary Resolution 4 - Re-election of Maya Hari				
5.	Ordinary Resolution 5 - Re-election of Vivek Sood				
6.	Ordinary Resolution 6 - Re-election of Dr Shridhir Sariputta Hansa Wijayasuriya				
7.	Ordinary Resolution 7 - Directors' Fees and Benefits Payable by the Company				
8.	Ordinary Resolution 8 - Directors' Fees and Benefits Payable by the Subsidiaries				
9.	Ordinary Resolution 9 - Re-appointment of PricewaterhouseCoopers PLT as Auditors				
10.	<b>Special Business</b> Ordinary Resolution 10 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

No. of ordinary shares held	CDS Account No. of Authorised Nominee*													

\* Applicable to shares held through a nominee account

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

2. Fold this flap to seal

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The Share Registrar  
**Tricor Investor & Issuing House Services Sdn Bhd**  
[197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

AFFIX STAMP  
HERE

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## NOTES:

### **Proxy and/or Authorised Representative**

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead.
2. The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 41 of the Constitution of the Company in relation to the Record of Depositors made available to the Company.
3. A Member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a Member appoints two proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall:
  - a) in the case of an individual, be signed by the appointer or by his/her attorney; or
  - b) in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".

Any alteration to the instrument appointing a proxy must be initialled.

7. In view that this is a virtual meeting, we strongly advise the members who are unable to attend, speak and vote at this 31<sup>st</sup> AGM via the Remote Participation and Voting Facilities ("RPV") to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.
  - a) Where a member of the Company is an authorised nominee as defined in the SICDA, the beneficial owner of the shares held by the authorised nominee may request the authorised nominee to appoint him/her as a proxy to attend, speak and vote remotely via the RPV at the 31<sup>st</sup> AGM.
  - b) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), each beneficial owner of the shares or where the shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the exempt authorised nominee to appoint the Chairman of the meeting to attend and vote remotely at the 31<sup>st</sup> AGM via the RPV on his/her/their behalf.
  - c) Authorised nominees, Exempt Authorised Nominee and corporate members are to refer to the Administrative Notes for the 31<sup>st</sup> AGM for further details.
8. A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 101 of the Constitution. Pursuant to Section 333(3) of the Companies Act 2016, if the corporation authorises more than one person, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company. However, if more than one of the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.
9. The instrument appointing a proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than Thursday, 25 May 2023 at 9.30 a.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online website at <https://tiih.online> not later than Thursday, 25 May 2023 at 9.30 a.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 31<sup>st</sup> AGM will be put to vote on poll.

### **Members Entitled to Attend, Speak and Vote**

11. For purposes of determining a member who shall be entitled to attend, speak and vote at the 31<sup>st</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 75 of the Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 19 May 2023. Only a depositor whose name appears in the General Meeting Record of Depositors as at 19 May 2023 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his/her behalf.





