

MEDIA RELEASE

Axiata and Telenor Announce the Successful Completion of the Celcom and Digi Merger

*New Company Well-Placed to Serve the Nation and Consumers Amid
Rising Demand for Data and Digitalisation*

Kuala Lumpur/Singapore, 30 November 2022 – Axiata Group Berhad (“Axiata”), Telenor Asia Pte Ltd (“Telenor”) and Digi.com Berhad (“Digi”) announced the completion of the merger of the telco operations of Celcom Axiata Berhad (“Celcom”) and Digi (together “Celcom Digi”). With this, Axiata and Telenor (together “Parties”) will both hold equal ownership in Celcom Digi at 33.1 per cent each.

On completion, Axiata received newly issued Digi shares representing 33.10 percent of the enlarged share capital of Digi, and a cash consideration of RM2.5 billion funded by Digi and to be assumed by the merged entity. Digi also issued shares to Telenor to reach equal ownership following Telenor's payment of RM0.3 billion to Axiata.

In driving the consolidation process, the Parties move purposefully to form a world-class Malaysian digital telco that will contribute significantly towards the growth of the country's digital ecosystem and economy. Celcom Digi will be the largest local listed technology company on Bursa Malaysia. On a pro forma basis for the financial year 2021, Celcom Digi will serve an estimated 20 million customers, with revenues of RM13.0 billion, and an EBITDA of around RM5.8 billion. The company remains committed to the previous announced synergy target of RM 8 billion.

Through the combination of scale, competencies, financial strengths, and experiences in serving the diverse needs of Malaysian consumers, Celcom Digi presents a solid proposition to propel the nation's transition towards a digitally enabled high-income society. In Telenor's recent [Digital Lives Decoded](#) survey, three out of four Malaysians expect mobile usage to increase whilst nearly two-thirds (63 percent) of Malaysians surveyed believe that mobile connectivity is 'very important' to the success of their organisations.

Axiata Group Berhad's Chairman Tan Sri Shahril Ridza Ridzuan said, “On behalf of the Board of Axiata, I wish to congratulate the Celcom Digi team on this new beginning. It is the culmination of months of meticulous integration work to create Malaysia's Digital Champion. We thank the Malaysian government, the regulators, Telenor and all our stakeholders, as we take this bold step forward to deliver a more sustainable industry structure whilst effectively meeting the evolving needs of Malaysian society.”

“Celcom Digi is strategically poised to invest in network expansion and support the growth of Malaysia’s digital ecosystem. We are also heartened at the role this tech giant can play in spurring talent development here in our very own backyard, as Malaysia charts advancements in 5G innovations, automation, IoT, AI and cyber resilience, among others. Moving forward, I am confident that Celcom Digi – backed by the global experiences, excellent governance standards and financial strengths of Axiata and Telenor as shareholders, is well placed to serve Malaysian consumers and enterprises seeking to step up on digital competitiveness in the current era.”

Jørgen C. Arentz Rostrup, Executive Vice President and Head of Asia, Telenor said, “Connecting people to what matters most will always be Telenor’s foundation for growth in Asia. As we embark on a new chapter in Malaysia, we are grateful to Axiata and Celcom, the Digi family, the regulators and all our partners for their trust and support. We are excited about the new possibilities the new company will ignite. Telenor is committed to be an active owner, bringing technology know-how, experience across international markets and global partnerships with industry giants to Celcom Digi.”

“The launch of Celcom Digi represents a major milestone in Malaysia’s digitalization journey, aligned with Telenor’s ambition to build leading operators that serve customers with relevant, attractive, and convenient products and services. By combining the strengths of two well-loved local telco brands, the new company can enhance customer satisfaction and provide a broader platform to serve the growing needs of Malaysian SMEs and large enterprises. Employees can look forward to development opportunities, build new competencies and shape the growth journey of a successful digital telecom champion,” he added.

As part of its nation building efforts, Celcom Digi will also invest up to RM250 million over five (5) years in building a world-class Innovation Center in Kuala Lumpur. The aim is to catalyse the 4IR digital transformation and strengthen the local ecosystem through the adoption of IoT, AI, cloud computing and 5G. Bridging the digital divide in rural areas to spur greater socioeconomic participation will be a priority.

In addition to Axiata and Telenor, Malaysian institutional investors such as the Employees Provident Fund, Permodalan Nasional Berhad and the Retirement Fund (Incorporated) among others are also shareholders of the new company.

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About Axiata

In pursuit of its vision to be The Next Generation Digital Champion by 2024, Axiata is a diversified telecommunications and digital conglomerate operating Digital Telcos, Digital Businesses and Infrastructure businesses across a footprint spanning ASEAN and South Asia.

The Group has controlling stakes in market-leading mobile and fixed operators in the region including 'XL' and 'Link Net' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. 'Celcom Digi' in Malaysia is an associate company. Axiata’s regional digital business verticals comprise 'Boost' a fintech play, and 'ADA', a digital analytics and AI company. 'edotco' is among the top 10 independent TowerCos globally, operating in nine countries to deliver telecommunications infrastructure services.

As a committed and long-term investor, the Group actively supports and drives young talent development; community outreach; as well as climate change initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent to drive digital inclusion and sustainable progress across our markets. Find out more at www.axiata.com

For media enquiries, please contact:

Chang Yan Yi
Corporate Communications
Tel: +6012-4218172
Email: yanyi.chang@axiata.com

About Telenor Asia

Telenor is a leading global telecommunications company, serving 175 million customers in the Nordics and Asia (Q1 22). In Asia, we have been connecting people to what matters most for 25 years. We are committed to supporting the national digital ambitions of the Asia markets we operate in, driven by the ambition of empowering societies. Telenor is listed on the Oslo Stock Exchange under the ticker TEL. For more information, see www.telenor.com/asia

For media enquiries, please contact:

Glenn Mandelid
Corporate Communications
Tel: +65 9757 4671
Email: glenn.mandelid@telenor.com