

MEDIA RELEASE

Axiata, NCell Confirms Receipt of ICSID's Arbitration Award

KATHMANDU / KUALA LUMPUR, 12 June 2023 - Axiata Group Berhad ("**Axiata**") refers to the International Centre for Settlement of Investment Disputes ("**ICSID**") arbitration proceedings (Case No. ARB/19/15) commenced by Axiata Investments UK Limited ("**Axiata UK**"), a wholly-owned subsidiary of Axiata, and Ncell Axiata Limited ("**Ncell**") against the Federal Democratic Republic of Nepal ("**Nepal**") and involving claims under the Agreement dated 2 March 1993 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Nepal for the Promotion and Protection of Investments ("**BIT**") related to Nepal's conduct towards Ncell ("**BIT Arbitration**") in connection with Axiata UK's acquisition of an indirect 80% shareholding in Ncell in 2016 (the "**Transaction**").

The tribunal constituted in accordance with Article 37(2)(b) of the ICSID Convention ("**Tribunal**") to preside over the case has on 9 June 2023 rendered an award dismissing the claims made by Axiata UK and Ncell (the "**Award**").

The Tribunal has indicated in the Award that Nepal should refrain from demanding any further tax, fees, penalties, or interests in relation to the Transaction.

Arising from Nepal's non-adherence to Tribunal orders during the early stage of the process, Nepal has also been ordered to pay certain sums to Axiata UK and Ncell, being a sum of approximately USD1.4 million (RM6.5 million¹) to Axiata and to reimburse Ncell for the cost of a loan taken out by Ncell. No sums are payable by Axiata UK or Ncell under the Award.

Axiata respects the decision of the Tribunal and is consulting its legal advisors in relation to the Award. Further announcements will be made upon material developments arising from the matter. The Group thanks ICSID and all participants in the proceeding and will continue to engage with the Government of Nepal ("**GoN**") in a constructive manner. Ncell remains fully committed to serving its customers and the people of Nepal.

For further information and context on the matter, please refer to the following announcement to Bursa Malaysia on [19 December 2019](#)².

Axiata and Ncell have made significant contributions to the socio-economic development of Nepal. As the country's largest taxpayer, Ncell contributed NPR283 billion (USD2.1 billion or RM9.9 billion) in taxes and fees as of last Fiscal Year FY 2021/2022 since its inception. Ncell, both directly and indirectly, supports more than 25,000 jobs and connects over 17 million

¹ Approximate values are based on translation made at the prevailing closing exchange rate at the date of the Award, 9 June 2023, for NPR/USD, NPR/MYR, or USD/MYR whenever applicable.

² Further reference is available in Bursa announcements on 22 April 2019, 26 April 2019, 8 May 2019, 22 November 2019, 19 December 2019, 13 April 2020 and 12 June 2023.

customers across its networks. Under its Corporate Social Responsibility ambit, Ncell has invested more than NPR1.75 billion (USD13.3 million or RM61.2 million) in various social projects identified as critical to the nation that include education, health, disaster management and environment.

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About Ncell

Ncell Axiata Limited is the first private sector telecommunications service provider of Nepal since 2004 and is constantly working towards its goal of connecting every Nepalese through its network, providing high-quality modern services to consistently create better value for our customers and partners.

Contributing to the vision of 'Digital Nepal' and the development of the country's economy and infrastructure, Ncell has built world-class networks and communication services and operates the widest 4G network in the country, fulfilling the national need of high-speed mobile broadband and creating new opportunities for the people of Nepal towards a brighter digital future.

Ncell is one of the largest taxpayers in Nepal. Ncell has contributed over NPR 283 billion (as of the FY 2021/22) as taxes and fees since its inception. We have contributed over NPR 1.75 billion under our Corporate Social Responsibility (CSR) initiatives in focus areas-education, environment, and health, supporting Government of Nepal extensively.

Ncell is a part of Axiata Group Berhad. Together with Axiata, Ncell is committed to contribute to the development of the country's economy and infrastructure, building best-in-class networks and bringing people of Nepal within the reach of communications. Ncell converted into a public limited company into Ncell Axiata Limited on 3 August 2020. Ncell has been serving over 16 million Nepalese.

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About Axiata

In pursuit of its vision to be The Next Generation Digital Champion, 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 while 'CelcomDigi' in Malaysia is a Key Associate Company. Axiata's regional digital business verticals comprise 'Boost' a fintech company, 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

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