



Advancing Asia

INTEGRATED ANNUAL REPORT 2020



axiata
advancing asia

Digital Telcos



Digital Businesses



Infrastructure



**advancing
to zero**

Advancing To Zero marks our response to the global call to achieve a net-zero carbon position as we head towards a more sustainable future.

In Advancing Asia, we now accelerate our climate action even as we champion digital telecommunications, digital businesses and infrastructure across our footprint. Driven by the vision where People and Planet can co-exist, we work to progress with balance.

IAR For more details on our regional presence, please refer to page 4 in the "We Are Axiata: This Is Our Investment Case" section

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About This Report

Reporting Philosophy

This is Axiata Group Berhad's (Axiata or the Group) 2020 Integrated Annual Report (IAR), prepared in conformity with the International Integrated Reporting Council's (IIRC) International <IR> Framework.

Scope and Boundary

This IAR provides our stakeholders with a concise and transparent narrative of how we utilise our capitals to generate financial and non-financial performance, assess our risks and opportunities, and the outputs and outcomes of our value creation model encompassing our Triple Core Business of Digital Telco, Digital Businesses and Infrastructure. Unless otherwise stated, it spans the period of 1 January 2020 till 31 December 2020.

Materiality

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

Forward-Looking Statements

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

Axiata's 2020 Integrated Annual Report Suite is made up of the following:

	Disclosures	Reporting Frameworks		
Integrated Annual Report 2020 	IAR <ul style="list-style-type: none"> Our Management Discussion and Analysis is covered under the following sections: <ul style="list-style-type: none"> Leadership Insights Realising Our Vision Towards Becoming The Next Generation Digital Champion Our Financial Resilience Delivering Our Strategy Abridged Annual Financial Statements Corporate Governance Overview Statement 	<ul style="list-style-type: none"> Malaysian Code on Corporate Governance 2017 Bursa Malaysia Listing Requirements IIRC Integrated Reporting Framework Companies Act 2016 		
Governance & Audited Financial Statements 2020 	GAFS <table border="0"> <tr> <td> Governance & Compliance Documents <ul style="list-style-type: none"> Full Directors and Management Profiles Statement on Risk Management and Internal Control Board Audit Committee Report Additional Compliance Information </td> <td> Financial Statements <ul style="list-style-type: none"> Directors' Report Audited Financial Statements Independent Auditors' Report </td> </tr> </table>	Governance & Compliance Documents <ul style="list-style-type: none"> Full Directors and Management Profiles Statement on Risk Management and Internal Control Board Audit Committee Report Additional Compliance Information 	Financial Statements <ul style="list-style-type: none"> Directors' Report Audited Financial Statements Independent Auditors' Report 	<ul style="list-style-type: none"> Malaysian Code on Corporate Governance 2017 Bursa Malaysia Listing Requirements Companies Act 2016
Governance & Compliance Documents <ul style="list-style-type: none"> Full Directors and Management Profiles Statement on Risk Management and Internal Control Board Audit Committee Report Additional Compliance Information 	Financial Statements <ul style="list-style-type: none"> Directors' Report Audited Financial Statements Independent Auditors' Report 			
Sustainability & National Contribution Report 2020 	SNRC <ul style="list-style-type: none"> Sustainability Framework Sustainability Governance Our Commitments Third Party Assurance 	<ul style="list-style-type: none"> Bursa Malaysia Sustainability Reporting Guidelines GRI Standards (Core) AA1000 Stakeholder Engagement ISAE 3000 (Revised) - Limited Assurance Engagement 		

Improvements in Axiata's Integrated Annual Report 2020:

- ▶ We Are Axiata: This Is Our Investment Case (on page 4) - improved our explanation on our business, and the investment proposition we offer the marketplace
- ▶ And This Was How We Responded To The COVID-19 Pandemic (on page 8) - demonstrates the Group's cohesive and coordinated response to assist governments and communities, as well as our ability to swiftly adapt as a business to the crisis
- ▶ Included Case Studies in Responding To Our Stakeholders (on page 34) and Our Risks Linked To Strategy (on page 38) to provide insights into our management approach and philosophy

Images for Axiata's Integrated Annual Report 2020:

This report's cover and section dividers depict Team Axiata's efforts to do their part to live more sustainably in their everyday lives. Big or small, we strive to effect meaningful change, whether on a personal or professional level, across our footprint to create multipliers through our OpCos. These form part of our larger efforts in Advancing to Zero towards a net-zero carbon position, with the recognition that #ItBeginsWithMe and #ItBeginsWithUs.

Assurance

Our Annual Financial Statements (AFS) are disclosed in the Governance and Audited Financial Statements 2020 and have been fully audited. Limited assurance has been provided on selected disclosure(s) within our Sustainability & National Contribution Report (SNCR) 2020.

Approval by the Board

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

- | | | |
|---------------------------------------|------------------------------|--------------------------------|
| • Tan Sri Ghazali Sheikh Abdul Khalid | • Dr David Robert Dean | • Tan Sri Dr Halim Shafie |
| • Dato' Izzaddin Idris | • Khoo Gaik Bee | • Ong King How |
| • Dato Dr Nik Ramlah Nik Mahmood | • Thayaparan S Sangarapillai | • Syed Ali Syed Salem Alsagoff |

For more information:



Scan the QR code to view our IAR online



Tina Salleh
Head of Sustainability
Celcom Axiata

I believe in buying local
and ethically-sourced products.

#ItBeginsWithMe

**GET TO
KNOW US**

We Are Axiata: This Is Our Investment Case

▶ **Axiata is a leading regional telecommunications Group with a footprint spanning 11 countries in ASEAN and South Asia. Our diverse and purpose driven talent base of more than 12,600¹ employees service the needs of more than 157 million customers.**




We have consistently emphasised on good governance and compliance, as encapsulated in our values of Uncompromising Integrity, Exceptional Performance (UI/EP), in our business conduct and ethics.

Since inception, we have successfully pivoted from a pure-play mobile player, to a resilient Triple Core Business, with Operating Companies (OpCos) in the Digital Telco, Digital Financial Services, Digital Analytics and Artificial Intelligence, and TowerCo space. Armed with a deep understanding of market expectations and

guided by our 4P Goals, we have embedded Environmental, Social and Governance (ESG) factors into our business model to empower our stakeholders.

As the world heads towards new horizons, Axiata is continuously evolving to meet the telecommunication and digital needs of the communities we serve. Through breakthrough innovations in technology, we are bridging the divide to engender greater societal inclusion, whilst also facilitating digital transformation for businesses.


We Are A Diversified Digital Business

Digital Telcos      

OUR FOCUS
With mobile growth on a downtrend, our Digital Telcos are poised to capture valuable opportunities in the digital age, to service the Enterprise, Consumer and Home segments.

HOW WE CREATE VALUE

- With Home as the new centre of gravity, retail-at-the-edge and a maturing Gig Economy, we are providing converged digital and technological products and services for rapidly evolving work and lifestyle norms
- Responding to the need for businesses to digitally transform, Axiata Enterprise is providing the following services through our Digital Telcos:
 - Security as a Service (SaaS)
 - Platform as a Service (PaaS)
 - Leveraging on IR 4.0 advanced technologies, Enterprise services are focused on the following four tracks:
 - Connectivity at the Core
 - Business-to-Business (B2B) Marketplace
 - Cloud Technologies
 - Internet of Things (IoT)



Digital Businesses   

OUR FOCUS
Helmed by our digital business holding company, Axiata Digital, our digital businesses are geared towards building two verticals in the areas of Digital Financial Services and Digital Analytics and Artificial Intelligence.

HOW WE CREATE VALUE

- Leveraging on Analytics, Artificial Intelligence and Machine Learning as key enablers to drive growth
- Boost, our e-wallet and digital payments platform, provides consumers convenient cashless payments that prevent fraud and save time
- Aspirasi is an end-to-end digital financial services platform offering micro-financing and micro-insurance solutions to help the underserved community achieve their business goals while providing support on their journey of dynamic financial growth
- ADA, our digital analytics and artificial intelligence company, leverages on its data analytics capabilities to advise clients on market segmentation for better conversion rates



Infrastructure 

OUR FOCUS
Our regional integrated telecommunications infrastructure company, edotco, is the 16th largest TowerCo globally, and aspires to become a Top 5 Global TowerCo by 2024. edotco has been named the “2020 Asia Pacific Telecoms Tower Company of the Year” by Frost & Sullivan for the fourth consecutive year.

HOW WE CREATE VALUE

- Providing connectivity services for communities and businesses throughout our regional footprint
- Playing a significant role in preparing nations for 5G roll out
- Leveraging on the use of next generation technology to drive efficient connectivity in the new normal to ensure seamless connection for all
- Championing sustainability and managing environmental impacts by evolving the connectivity business to minimise carbon footprint by:
 - reducing electricity consumption
 - minimising carbon footprint
 - lowering fuel consumption



▶ Since inception, Axiata has successfully adapted its business model in line with evolving industry cycles and worldwide that have resulted from dramatic paradigm shifts in the global social and economic landscape.

Axiata today is a diverse and resilient business with a strong foothold in the three distinct business segments of Digital Telcos, Digital Businesses and Infrastructure. Leveraging on robust foundations and our value-differentiated assets, Axiata is firmly on track towards realising our vision to become The Next Generation Digital Champion.

Note: ¹ Includes edotco Group and Axiata Digital employees

We Are Axiata: This Is Our Investment Case

We Are Spread Across ASEAN And South Asia



Malaysia



Indonesia



Sri Lanka



Bangladesh



Cambodia



Nepal



Pakistan



Myanmar



Laos



Thailand



Philippines

Guided By An Evolving Business Model

Our Purpose
Advancing Asia

Our Vision
The Next Generation Digital
Champion by 2024

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

Our Goals

The 4Ps that define our success

Performance

To be one of Asia's largest telecoms and tech groups in all financial metrics as we grow in market capitalisation and generate strong Return on Invested Capital

People

To be recognised as a top talent brand and an Asian talent factory

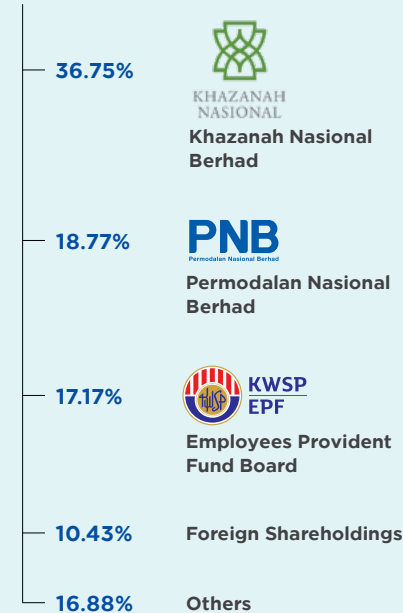
Partnership

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

Planet & Society

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

Our Trusted Shareholders



As of 15 April 2021

Regional Recognition For Industry Leadership

- Named the **"Asia-Pacific Telecom Group of the Year"** at the 2020 Frost & Sullivan Asia Pacific Best Practices Awards, Axiata's sixth win since 2009
- Ranked in the Top 30% of the Digital Inclusion Benchmark:
 - Fourth highest** of all Digital Tech companies in Asia
 - Third highest** of Telco Companies in Asia
- In April 2021, the Malaysia Board Diversity Study and Index conducted by the Institute of Corporate Directors Malaysia in collaboration with Willis Towers Watson ranked Axiata at:
 - First** in the **"Overall Top 312 Bursa-listed Companies"** category
 - First** in the **"Top 10 Companies By Market Capitalisation"** category for "Large Cap (≥ RM2 Billion)" companies
- Received **"Excellence Award for Corporate Governance Disclosure (fifth position) and "Industry Excellence Award" for Telecommunications and Media** at the MSWG ASEAN Corporate Governance Awards 2020
- Secured awards for **"Companies with More Than 10 Billion in Market Capitalisation" (Silver)** and **"Best Sustainability Reporting" category (Silver)** at the National Annual Corporate Report Awards 2020
- Recognised as **"Best Company for IR (Large Cap), Best IR Professional (Large Cap), Business Knowledge & Insights of IR Team, Quality of Annual Report/Formal Disclosure, Quality of One-on-One meetings"** by the Malaysian Investor Relations Association
- Awarded **"Islamic Finance Deal of the Year 2020"** by Finance Asia for Axiata's USD600 million and RM867 million Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities
- Recognised as **"Best Investment Grade Bond from Malaysia (Best Deals by Country)"** at The Asset Magazine's Triple A Sustainable Capital Markets Country Awards 2020

Led by Axiata Digital, we have well defined digital businesses and are on track to building a strong proposition as a digital bank

- ▶ **Boost** - e-wallet and cashless merchant payment solution leader
- ▶ **Aspirasi** - answering consumer and micro-enterprise demand for insurance and financing solutions

Our digital analytics and AI¹ company, ADA, utilises IR 4.0 technologies to drive growth

- ▶ **Designs and executes** integrated Digital, Analytics and Marketing solutions
- ▶ **Capturing revenue** from large enterprises

edotco is set to become a Top 5 Global TowerCo

- ▶ **Footprint and tower expansion strategy**
- ▶ **IPO² targeted** within the next five years

We have strong relationships with regional communities and stakeholders

- ▶ **Contributing to the UN SDGs³**
- ▶ **Key partner** in upcoming regional 5G roll outs
- ▶ Empathetic COVID-19 contributions

Notes: ¹ AI = Artificial Intelligence ² IPO = Initial Public Offering ³ UN SDG = United Nations Sustainable Development Goals

We Are Axiata: This Is Our Investment Case

The Group is on a strong trajectory towards achieving our Axiata 5.0 Strategy to become The Next Generation Digital Champion by 2024

- ▶ Our Aspirational Targets will drive our journey of repositioning Axiata as a High Dividend Company

5	Achieve these targets within 5 years	10	Reduce cost per GB to < USD0.10
20	Increase Group EBIT margin to > 20%	20	Increase dividend per share to > 20 sen

ROIC > WACC

We are financially resilient

- ▶ Operating Free Cash Flow – **RM3.3 billion in 2020**
- ▶ Total dividend per share of 7 sen in 2020 as Axiata transitions towards becoming a High Dividend Company by 2024
- ▶ **Strengthened liquidity position** via issuance of the 10-year USD500 million Sukuk (10-year Sukuk), 30-year USD1 billion Notes from a Euro Medium Note Programme (30-year Euro Medium Term Notes) and Syndicated Multi-Currency Shariah-compliant sustainability-linked financing¹
- ▶ **Strengthened capital structure** as average loan tenure at Company level improved to 16 years, and at Group level to 10 years, due to the issuance of the 10-year Sukuk and the 30-year Euro Medium Term Notes

We have promising growth potential recognised by international investors

In August 2020, Axiata conducted a dual-tranche offering comprising the 10-year Sukuk and 30-year Euro Medium Term Notes:

- ▶ 10-year Sukuk
 - Issued at 2.163%
 - The lowest USD 10-year Sukuk rate from Malaysia
 - The third tightest rate from the telco sector globally
- ▶ 30-year Euro Medium Term Notes
 - Issued at 3.064%
 - Third lowest 30-year coupon offering by a telco issuer globally
 - Lowest 30-year coupon for an Asian corporate
 - Largest 30-year tranche size from an Asian telco
- ▶ Oversubscription from a diversified investor base both by investor type and geographical region
- ▶ High-quality orderbook with oversubscription at:
 - 7.6x on the 10-year Sukuk
 - 3.0x on the 30-year Euro Medium Term Notes

We are a premium blue chip ESG² compliant stock

- ▶ **3-star rating** for ESG compliance on the FTSE4GOOD Bursa Malaysia Index
- ▶ **MSCI³ ESG Rating A**

We have strong foundations with great assets

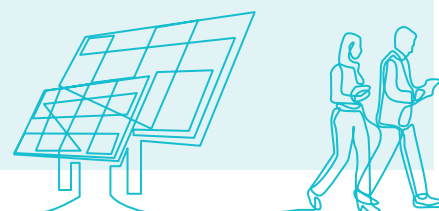
- ▶ **Energetic and skilled leadership** across our regional markets
- ▶ **Diverse and future-proofed** Modern, Agile and Digital workforce

We have a proven track record of delivering on growth promises

- ▶ **More than doubled revenue from RM11.4 billion** in 2008 to RM24.2 billion in 2020
- ▶ **Improved market capitalisation by 21% to RM34.3 billion as at end 2020**, from RM28.3 billion at closing of first day of trading post IPO in 2008
- ▶ Diversified our business from a pure-play mobile operator in **10 countries** in 2008 to a Triple Core Business of Digital Telcos, Digital Businesses and Infrastructure holding company in **11 countries in 2020**

We have a resilient and diverse business model, with competitive differentiation

- ▶ **Digital Telcos** – Digital transformation products and services for Enterprises and Consumers
- ▶ **Digital Businesses** – Data analytics, AI and Machine Learning in the digital economy
- ▶ **Infrastructure** – Data analytics to drive 5G growth



Notes: ¹ The USD800 million Syndicated Financing, announced on 11 May 2020 underscores Axiata's commitment towards ensuring the alignment of its business strategies and sustainability framework
² ESG = Environmental, Social and Governance
³ MSCI = Morgan Stanley Capital International

IAR

For more details on:
 - Our financial performance, please refer to pages 50 to 58 of the "Our Financial Resilience" section
 - Our ESG initiatives and outcomes, please refer to pages 42 to 49 of the "Towards Becoming The Next Generation Digital Champion" section
 - Our business performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section, and pages 59 to 78 of the "Delivering Our Strategy" section
 - Our COVID-19 contributions, please refer to pages 8 to 9 of the "Get To Know Us" section
 - For further information on our Aspirational Targets, please refer to page 39 of "Realising Our Vision" section

SNCR

For more details of our ESG commitments, please refer to the SNCR

GAFS

For more details on our leadership and financial statements, please refer to the GAFS

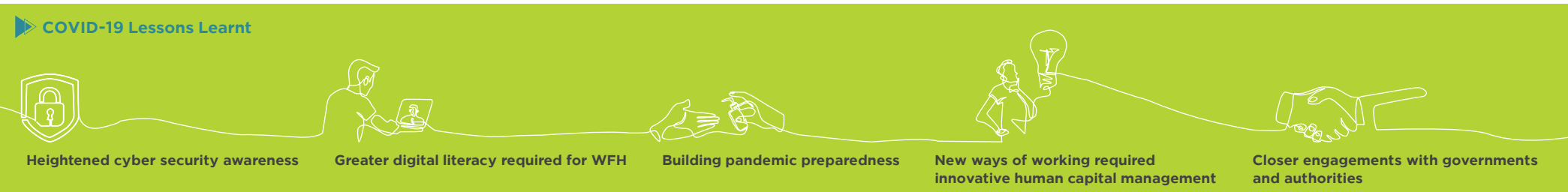
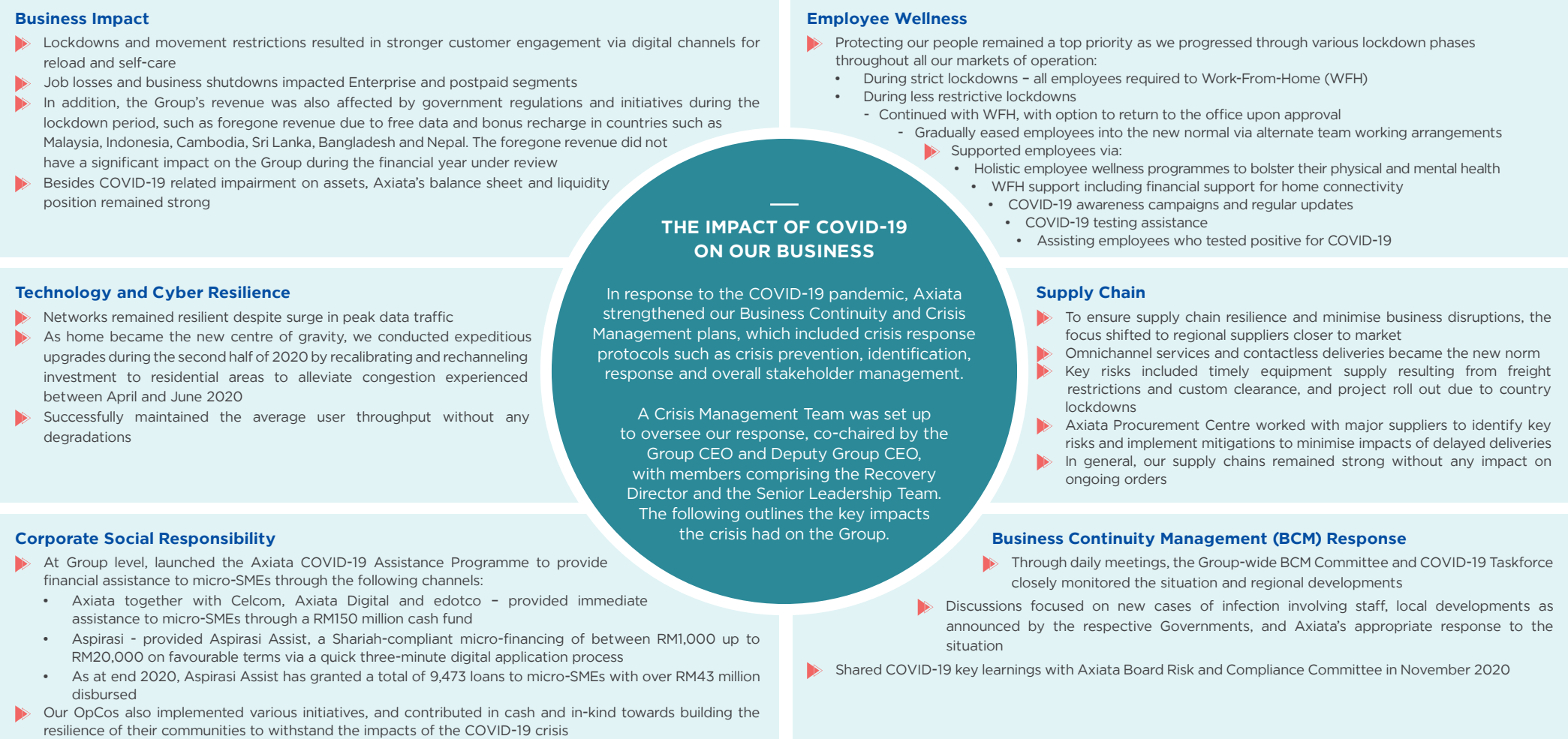
This Was The Environment We Operated In

Throughout 2020, Axiata and our Operating Companies (OpCos) in 11 markets across ASEAN and South Asia were not spared from the realities of an operating environment that was shaped by the far reaching impacts of the COVID-19 pandemic.

	Operating Environment	Strategic Implications	Way Forward
▶ Key Market/ Industry Trends	<ul style="list-style-type: none"> In the post-COVID-19 world, telcos are now essential utility services, providing business critical connectivity and resiliency Telcos are facilitating Work-From-Home (WFH) arrangements, keeping individuals and societies connected and informed, and enabling access to medical, financial, commercial and other essential services during mandated lockdowns 	<ul style="list-style-type: none"> Axiata has benefitted from these shifts, and is therefore performing better compared to companies in other infrastructure sub-sectors Enterprises seeking digital transformation products and services to accelerate their adoption of technology Need to ensure always on connectivity to provide reliable connection services 	<ul style="list-style-type: none"> Axiata took extensive measures to address challenges and opportunities arising from the new norms Accelerate innovations in digital product and service portfolio for Consumer, Home and Enterprise segments towards capturing new normal opportunities Leverage on the Collective Brain to harness best practices and Group-wide insights and learnings, to chart future growth across the regional footprint
▶ Macroeconomic Environment	<ul style="list-style-type: none"> The COVID-19 pandemic inflicted multiple shocks on the ASEAN and South Asia regions as domestic shutdowns caused an economic recession Unemployment has risen, and the spending power of consumers and businesses has reduced In many markets, Governments have regulated for telcos to provide free data and bonus recharge to help their population with difficulties they faced 	<ul style="list-style-type: none"> Many high value business customers have either ceased operations or are seeking reductions in services/payments Consumers are looking for more competitively priced packages and value added offers Given the economic uncertainty and difficulty in predicting the pace of recovery, Axiata withdrew its guidance on Headline KPIs¹ on 21 May 2020 Foregone revenue due to free data and bonus recharge in Malaysia, Indonesia, Cambodia, Sri Lanka, Bangladesh and Nepal 	<ul style="list-style-type: none"> Maintain strong balance sheet and liquidity position Continue to focus on conserving cash via disciplined cost management and capex efficiency, while building a war chest for new normal opportunities Address customer challenges by catering to their preferences through content windowing, tiered pricing and tailored services according to segmented needs and affordability levels
▶ Regulatory Environment	<ul style="list-style-type: none"> Uncertainty and volatility in spectrum allocations especially for future 5G network, and approvals to expand digital financial services Modernisation of sectoral legislation and regulatory framework and development of national digital economy blueprints in some markets Greater scrutiny of big tech over digital competition concerns may see introduction of digital regulations, a start to ensure regulatory fairness 	<ul style="list-style-type: none"> Proactive regulatory management as a core component of Stakeholder Management under the 10 Key Focus Areas of the Axiata 5.0 strategy Develop public policy thought pieces on the digital economy and IR 4.0² Shareholder representatives in key markets who would represent Axiata's interests on the ground 	<ul style="list-style-type: none"> Regulatory compliance a key pillar in ensuring positive reputation with stakeholders Proactively managing stakeholders including support from the Government of Malaysia in protecting investments overseas Conducting joint advocacy campaigns with the GSMA, International Telecommunication Union (ITU) and other international bodies to ensure adequate supply of 4G and 5G spectrum across the footprint Joint advocacy with ITU and the World Bank to assist governments wishing to reform and modernise current legislative and regulatory frameworks
▶ Digital Shift	<ul style="list-style-type: none"> Homes are now seen as the new centre of gravity, as lockdowns led to WFH and greater utilisation of online platforms As demand for digital connectivity skyrocketed, network traffic surged Even as online activities increased, customers expect their data privacy to be protected 5G roll outs delayed in most markets 	<ul style="list-style-type: none"> Provide broadband incentives to businesses and consumers to encourage them to stay at home Improve network stability to enable consumers to adopt to the new ways of working and learning Enhance security capabilities and improve service delivery for our employees to enable them to WFH Axiata's Group Security Operations Centre (GSOC) instrumental in supporting network resilience by discovering and remediating external threats Enhance training and awareness efforts on Privacy and Cyber Security to build a cyber-resilient culture 	<ul style="list-style-type: none"> Axiata continues to support digital agendas within its markets of operation by enhancing technology capabilities Enhance security and data protection capability to provide uninterrupted service and inspire customer confidence Provide more Internet-based services to enable customers to connect and adopt the new norms in working and learning
▶ Competitive Landscape	<ul style="list-style-type: none"> Industry revenue dropped as consumers and businesses suffered financially from the impacts of the pandemic This intensified competition in the telco sector, as players sought to maintain revenue in a difficult market 	<ul style="list-style-type: none"> While demand for data has increased, intensified competition between telcos have further eroded data prices Need for OpCos to differentiate themselves from their competitors in the market Leveraging on the Collective Brain to gain cost savings that will bolster our financial fundamentals 	<ul style="list-style-type: none"> Focus on the refined strategic approach of the Six Core Business Dimensions within Axiata's 10 Key Focus Areas to capture new normal opportunities Continuously enhance customer experiences and provide value added propositions As digital lifestyles become more entrenched, to provide a distinctive competitive proposition via converged service offerings for the Consumer, Home and Enterprise segments Establish Axiata as the digital transformation product and service provider for businesses

Notes: ¹ KPIs = Key Performance Indicators ² IR 4.0 = Industrial Revolution 4.0

And This Was How We Responded To The COVID-19 Pandemic



And This Was How We Responded To The COVID-19 Pandemic

COVID-19 NATIONAL CONTRIBUTIONS ACROSS OUR FOOTPRINT

▶ Throughout our regional footprint, all OpCos provided either free or bonus data to customers across the prepaid, postpaid, Home and Enterprise segments, depending on the market.

Over and above, each OpCo provided targeted support for their respective communities, according to identified needs. These predominantly focused on financial assistance to SMEs, cash donations, and connectivity and technology contributions in-kind. The following provides an overview of the contribution by each OpCo in 2020:

- ▶ Shariah-compliant micro-financing through Axiata Digital, riding on the Aspirasi digital platform – from RM1,000 to RM20,000 and on favourable terms
- ▶ Quick three-minute digital application process
- ▶ Aspirasi Assist supported by Ministry of Finance for the RM150.0 million cash fund from Axiata together with Celcom, Axiata Digital and edotco to provide immediate assistance to micro-SMEs



- ▶ Provided relief services, devices, donations, personal protective equipment (PPE), and enhanced network capacity at estimated value of over RM380.0 million
- ▶ Free 1GB data daily for customers, with unlimited WhatsApp and Microsoft365 (M365) access
- ▶ Credit term extension for postpaid customers and SMEs
- ▶ Rebates for tourism operators, logistics companies and frontliners
- ▶ Supported COVID-19 healthcare operations in collaboration with state governments, Ministry of Health, government agencies and quarantine centres
- ▶ Extended financial support to our Trade and Fulfillment partners including PPE
- ▶ Food aid and cash contribution to B40 families
- ▶ Collaborated with e-learning provider to assist students learning from home
- ▶ Free browsing of the Ministry of Health's website for latest updates
- ▶ Free calls to Crisis Preparedness Response Centre and Movement Control Order Hotline
- ▶ 10% e-wallet cashback on reload via Celcom Life App



- ▶ Malaysia - enhanced network coverage with eMOS¹ at Malaysia's main COVID-19 treatment facility, Sungai Buloh Hospital
- ▶ Cambodia - PPE and testing kits for children's hospital
- ▶ Bangladesh - educational sanitation programmes for local communities
- ▶ Pakistan and Laos - mercy flights for stranded Malaysians
- ▶ Sri Lanka - funds to equip hospitals with respiratory machines
- ▶ Philippines - financial assistance for the purchase of medical devices, and medical and food supplies
- ▶ Myanmar - PPE and thermometers to support testing efforts



- ▶ Partnered with Digital Bangladesh's flagship programme a2i and the Health Ministry to design an AI-powered contact tracing app
- ▶ Donated PPE to frontliners and medical workers
- ▶ Provided free monthly 33GB data for doctors for six months
- ▶ Free access to Robi 10-Minute School
- ▶ Free 10-minute talk time and 50MB of data to subscribers unable to recharge, and reduced voice call rates
- ▶ Sent out real-time notifications to customers moving into various COVID-19 hotspots to heighten alertness
- ▶ Provided local administration with geo-mapping support based on real-time telco data to identify heavy movement of people in various parts of the country with the aim of containing the spread of the virus
- ▶ Provided an emergency credit facility to 20,000 retailers



- ▶ Invested RM4.3 million (SLR200.0 million) towards the development of state-of-the-art Intensive Care Units at Homagama Base Hospital and Negombo Hospital
- ▶ Conducted nationwide COVID-19 relief operation – RM1.7 million (SLR78.3 million) of dry rations distributed to > 174,000 people in > 400 villages
- ▶ Provided Telepresence and connectivity solutions to 30 hospitals and Telemedicine Solutions to 16 key hospitals across the country
- ▶ Provided RM151.9 million (SLR7.0 billion) in consumer concessions during lockdown periods
- ▶ Facilitated Distance Learning solutions to 92 schools and extended free access to all State university platforms, Guru.lk and e-thaksalawa
- ▶ Provided 4,000 PCR test kits to enable high-speed Robotic PCR Testing at Bandaranaik International Airport
- ▶ Provided critical connectivity solutions to the National Institute of Infectious Diseases and Quarantine Centres nationwide, and launched a toll-free 1390 COVID-19 national medical advisory hotline



- ▶ Contributed RM3.4 million (NPR100.0 million) to the Coronavirus Infection Prevention, Control and Treatment Fund
- ▶ Collaborated with the Ministry of Health and Population and UNICEF for Mass COVID-19 Awareness Campaign urging key behavioral changes to reduce risk of infection
- ▶ Supported the COVID-19 Crisis Management Committee (CCMC) for Migration Tracking and Contact Tracing
- ▶ Rolled out the Unstructured Supplementary Service Data (USSD or quick codes) and Interactive Voice Response (IVR) survey to identify COVID-19 infected people
- ▶ Conducted COVID-19 awareness messaging leveraging on internal platforms - SMS, OBD calls, call tone, temporary change in network name to #Staysafe, engagement promos
- ▶ Ncell Free Hotline (service was also extended to Nepali migrant workers in Malaysia) and free Ncell Call to Doctor Service provided for COVID-19 consultation with doctors
- ▶ Free access to government hotlines 1133 and 1115
- ▶ Collaborated with the Ministry of Women, Children and Senior Citizen and UN WOMEN to run a Rapid Assessment Survey on how COVID-19 has affected the lives of people in Nepal
- ▶ Supported online education via - Mobile Class Data Pack in collaboration with Tribhuvan University; special monthly plan for online learning; Radio Outreach Programme providing radio education for rural primary students



- ▶ Contributed more than RM2.4 million (USD0.6 million) from its COVID-19 Relief Fund supporting key national initiatives
- ▶ Implemented 5G through the use of trial frequencies at three of Cambodia's main hospitals
- ▶ Bonus data for every e-top up for one month
- ▶ Home segment Fair Usage Policy quota doubled to 500GB and 800GB monthly for standard and premium plan customers respectively
- ▶ Free up to 10GB extra data for Enterprise customers



- ▶ Contributed > RM45.4 million (IDR158.2 billion) towards COVID-19 prevention programmes
- ▶ Contributed > RM2.9 million (IDR10.0 billion) in cash donations to the National Disaster Management Agency (BNPB)
- ▶ 2GB per day for Government sites, e-learning portals, e-Commerce apps and M365 contribution of over RM24.6 million (IDR85.7 billion)
- ▶ Students data quota subsidy to support the Government of over RM12.8 million (IDR44.5 billion)
- ▶ Government hospital connectivity (MiFi and MBB Router) and University Programme (Data Packages for students and staff) of over RM1.7 million (IDR5.8 billion)



Notes: Conversion rates are as of 31 December 2020: IDR1 = RM0.000287, SLR1 = RM0.021700, USD1 = 4.036000, NPR1 = RM0.034402
¹ eMOS is a Cell-on-Wheels/Mobility Solution provided by edotco

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For more details on other COVID-19 contributions made by OpCos in their markets of operation, please refer to pages 61 to 78 of the "Delivering Our Strategy" section

SNCR

For comprehensive details of our OpCos' COVID-19 contributions, please refer to the "Emergency and Disaster Response" section in the "Social" chapter



Sothearoth Hun
Senior Operations Engineer
edotco Cambodia

Cycling to work to lessen
my carbon footprint.

#ItBeginsWithMe

**LEADERSHIP
INSIGHTS**

Chairman's Message

Delivering Digital Trust



Scan to watch a multimedia version of the Chairman's Message



Tan Sri Ghazzali Sheikh Abdul Khalid

Dear Stakeholders,

On behalf of the Board of Directors (the Board), I present to you Axiata Group Berhad's (Axiata or the Group) Integrated Annual Report for the financial year ended 31 December 2020. As we come into the first full year of surviving the COVID-19 pandemic, Axiata has continued with its purpose of Advancing Asia, and contributed to the resilience of national economies and societies in its markets of operation.

Stepping into 2021, the crisis continues to dominate the global outlook as new waves of infections prompt renewed national lockdowns and tighter restrictions. Businesses and communities are reeling from the shocks, with the International Labour Organisation estimating total job loss of 81 million across the Asia-Pacific region in 2020.

For telecommunications and digital companies such as Axiata, it has been a time of unprecedented challenges and promising opportunities. On the one hand, job losses and the business slowdown are affecting consumption across all markets. On the other, consumers and enterprises have accelerated their adoption of mobile and digital technologies to

continue with life uninterrupted, whether it be to earn an income, work, study or socialise in safety. Online entertainment is on the rise, as are digital applications (apps) such as food delivery platforms, fintech, e-Commerce and social media. Only businesses that are succeeding in their technology transformation remain relevant and continue to survive.

In the face of this challenging landscape, the Group delivered on its value creation promise to shareholders, with the Board declaring a full year total dividend of 7 sen per ordinary share for 2020.

Creating Value Through Axiata's Empathetic Response

Axiata has approached the pandemic as a humanitarian crisis which calls for the setting aside of commercial interest and adopting an empathetic and compassionate approach to prioritise the wellbeing of its employees, customers and communities. As soon as movement controls and lockdowns were employed by governments across our markets as part of pandemic containment measures, Axiata swiftly reacted by initiating the Business Continuity Management and Crisis Management Plan across all Operating Companies (OpCos) by 20 March 2020. Key areas considered were the business impact, supply chain management, employee wellness, corporate social responsibility commitments, technology and cyber resilience, and adapting working arrangements to secure business continuity. Axiata successfully reimaged work norms to keep its people safe, while providing them with the support they required for emotional, mental and physical wellbeing. The Group also rolled out a comprehensive regional response to the pressing humanitarian needs that arose from the COVID-19 crisis, placing emphasis on alleviating the burdens of customers, businesses, communities and governments as they adjusted to new norms.

Building Digital Trust in the New Normal

The Group's trust proposition is founded on solid principles of governance, and robust risk and compliance management practices, underpinned by its values of Uncompromising Integrity, Exceptional Performance (UI.EP). Axiata's efforts to foster responsible use of digital technologies by addressing risks, as well as innovating in an open, inclusive and ethical manner, has led to its ranking within the Top 30% of the Digital Inclusion Benchmark, the fourth highest of all digital tech companies in Asia, and the third highest of telco companies in Asia.

With the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 that came into effect in June 2020,

the Group established comprehensive procedures to ensure full compliance. Axiata adopted a Zero-Tolerance Policy towards bribery and corruption and a No Gift Policy, as reflected in the Anti-Bribery and Anti-Corruption (ABAC) and Gifts, Donations and Sponsorships Policies respectively, which are applicable Group-wide.

Today's digital economy is largely being shaped by consumer attitudes towards security and privacy, as people are becoming increasingly aware of online threats. The Group's forward-looking view of technology trends depicts a scenario of increased complexity, pace, scale and interdependence. Digital security risks have emerged as one of the most important systemic issues for the global economy. The pandemic has exacerbated cyber security risks on an international scale as malicious actors have increased cyber-attacks. An independent assessment has confirmed that the Group has achieved its cyber security maturity level above the world average. To protect increasingly valuable digital assets, the Group has executed its cyber security strategy Digital Trust 2020, and implemented the National Institute of Standards and Technology Maturity Programme across all OpCos.

As part of fostering a strong risk and compliance culture, mandatory training covering the ABAC, Cyber Security and Data Privacy domains were introduced for all employees. In 2020, Axiata achieved over 90% training completion rate throughout the Group across all disciplines. Employees' and suppliers' privacy training and awareness programmes were enhanced through targeted content tailored to current and emerging risks. Additionally, Axiata published the Group Data Privacy Policy, updated Privacy Notices and Cyber Security Advisory for customers to raise their awareness. The Group successfully upskilled privacy teams across all OpCos through the completion of an internationally accredited Certified Information Privacy Manager Certification.

The Board Risk Management Committee has evolved into the Board Risk and Compliance Committee with enhanced roles and responsibilities to

strengthen governance. Management has also strengthened its monitoring of risks by establishing the Risk and Compliance Management Committee. Governance instruments have been revised and the Supplier Code of Conduct and the Supplier Declaration processes have been strengthened to minimise any third-party risks. The Group's T.R.U.S.T. principles embody Axiata's Privacy and Compliance commitment to embed a strong risk and compliance culture.

Axiata's cyber security strategy for the next three years, spanning the period from 2021 till 2023, will leverage and evolve from the existing "Digital Trust 2020" into "Digital Trust and Resilience - DT&R2023". It will be a coherent, defensible cyber security programme based on a clear vision and strategic goals. Apart from serving as a competitive differentiator, Axiata's evolved strategy aims to enhance customer trust.

In 2021, the Group will maintain its proactive approach towards addressing the impacts of the global pandemic and transition to the new normal by continuously discovering, assessing and adapting to ever-changing risk and trust levels. Ultimately, Axiata's aim is to implement granular, data-driven, analytic cyber and privacy risk management, enhance its ability to make rigorous, fact-based decisions about the most critical risks, and ensure compliance with legal and regulatory requirements across the Group.

Strengthening Environmental, Social and Governance (ESG) Commitments

It is our belief that the incorporation of ESG factors into Axiata's value creation model augments the Group's business fundamentals to withstand volatility and future crises.

In 2020, we established the Group-wide Sustainability Steering Committee chaired by the Group Chief Corporate Officer, with members comprising representatives from all OpCos and departments. The completion of the

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For more details on:

- Managing COVID-19 impacts to Business Continuity Management, please refer to the Risk Case Study on page 38 of the "Realising Our Vision" section
- COVID-19 related impacts to Axiata and our response, please refer to the "This Was The Environment We Operated In" on pages 7 to 9 of the "Get To Know Us" section

- COVID-19 related employee support, please refer to page 45 of the "Building A Modern, Agile And Digital Asian Talent Factory" section
- COVID-19 related national contributions by OpCos, please refer to page 47 of the "Supporting Governments And Communities In Our Markets" section

Chairman's Message

Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities of USD800 million was a major milestone in furthering Axiata's ESG agenda. Featuring a combination of Islamic financing principles and sustainability parameters, the Islamic Syndicated Financing effort is the first-of-its-kind in Malaysia and the world. Towards enhancing its ESG focus, Axiata will develop a five-year Sustainability Strategy Framework and Net-Zero Carbon Roadmap that will guide its future goals.

Advancing Asia by Contributing to the United Nations Sustainable Development Goals (UN SDGs)

Axiata has stepped up on digital inclusion efforts for communities across its markets, in line with its commitments to the UN SDGs. Towards ensuring inclusive and equitable quality education in line with UN SDG 4, the Axiata Young Talent Programme which was inceptioned in Malaysia in 2011, has expanded to Indonesia as XL Future Leaders and Cambodia as SmartEdu. As at end 2020, the programme has touched the lives of 2,262 Malaysian, 1,000 Indonesian and 20 Cambodian young and talented youth. OpCo led initiatives focusing on improving education outcomes have played a significant part in sustaining students access to education throughout school closures during the pandemic. Furthermore, through a diverse range of digital and mobile tools that support disadvantaged communities to improve their livelihoods, Axiata is contributing to UN SDG 8 to support decent work and UN SDG 11 to encourage sustainable communities. As a nation building partner, in 2020 the Group has contributed a total of USD7.7 billion¹ to the Gross Domestic Product of the 11 countries where its businesses operate. Through a very difficult year, Axiata continued to directly and indirectly support some 0.6 million¹ jobs across its footprint.

Creating Environmental Value by Advancing to Zero

With the aim of achieving a net-zero carbon position, "Advancing To Zero" marks Axiata's commitment to balance business growth with sustained climate action across its footprint. In responding to the GSMA's call for industry decarbonisation by 2050, and in alignment with the UN SDG 13 to combat climate change, Axiata has embarked on its Net-Zero Carbon Roadmap. The Roadmap will identify initiatives that will be put in place under the oversight of the Sustainability Steering Committee. The Group's sustained efforts in the environmental space has resulted in Axiata's MSCI ESG Rating of A. The focused execution of Axiata's environmental strategies will further enhance its ESG ratings.

Addressing Challenges

In relation to a long-standing dispute affecting Ncell, Axiata's subsidiary in Nepal, Ncell paid under protest and on a without prejudice basis, the Capital Gains Tax demanded by the Government of Nepal, driven by the need to keep serving Ncell's customers without being affected by undue pressures. Axiata's wholly owned subsidiary, Axiata Investments (UK) Limited and Ncell commenced proceedings against the Federal Democratic Republic of Nepal for contravention of the Bilateral Investment Treaty between UK and Nepal

and the dispute is scheduled to be heard in August 2021 by an arbitration Tribunal set up under the rules of the International Centre for Settlement of Investment Disputes.

In Myanmar, Axiata is closely monitoring the current developing socio-political climate, given that the country is part of edotco's operating footprint. The Group has been consistently communicating with all stakeholders, including its employees, customers, and vendors in Myanmar to manage impacts amidst the challenging environment. We will continue to assess any business, operational, and financial risks that may arise to effectively mitigate against potential impacts.

Sustained and Strong Leadership

As of 1 January 2021, Dato' Izzaddin Idris has taken over the reins from Tan Sri Jamaludin Ibrahim as Axiata's President & Group Chief Executive Officer, marking the culmination of a year-long leadership transition process conducted as part of the succession planning programme to facilitate a smooth and seamless handover. On behalf of the Group, I would like to record our deepest appreciation to Tan Sri Jamaludin for steering the Group through both calm and stormy waters, to become the globally renowned regional leader it is today. We warmly welcome Dato' Izzaddin and look forward to continue to work with him to chart the Group's future growth. Our congratulations to Dato' Izzaddin on his appointment as a GSMA Board member for a two-year period beginning January 2021 in a role that enables Axiata to contribute to the development of the global mobile industry.

Tan Sri Jamaludin remains as part of the Axiata fold and will play an important role as one of the inaugural members of the Axiata Advisory Panel (AAP) which was recently established on 5 March 2021. Tan Sri Jamaludin is joined by Bapak Gita Irawan Wirjawan, a former Minister of Trade for Indonesia in 2011 and the current Chairman of the Investment Coordinating Board of Indonesia. Both these individuals have participated in the highest levels of corporate and public life and bring to the table a world of insights and guidance to share on both the telecommunications industry and the digital economy. The AAP will complement the Board's efforts to assess and understand evolving key and complex industry shifts, as well as geopolitical and macroeconomic uncertainties, as Axiata strives towards achieving next level growth.

Axiata's Board Refresh programme which seeks to elevate the Board's capacity to deliver the best standards of corporate governance led to active movements in 2020. In addition to Tan Sri Jamaludin, we must thank outgoing Board members David Lau Nai Pek, Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz and Dr Lisa Lim Poh Lin for their unstinting contributions in strengthening the Group's fundamentals. We welcomed three new members, namely Thayaparan S Sangarapillai, Tan Sri Dr Halim Shafie and Syed Ali Salem Alsagoff, whilst Ong King How who was formerly an alternate director to Tengku Dato' Sri Azmil Zahrudin was redesignated as Non-Independent Non-Executive Director.

On 7 April 2021, the Malaysia Board Diversity Study and Index conducted by the Institute of Corporate Directors Malaysia in collaboration with Willis Towers Watson ranked the Axiata Board first in the "Overall Top 312 Bursalist Companies" category, as well as first in the "Top 10 Companies By Market Capitalisation" category for "Large Cap (≥ RM2 Billion)" companies. This independent external validation reinforces the Group's sterling corporate governance culture, which has been one of the key components of Axiata's sustained strong performance.

As we continue into 2021, the Board's focus is firmly trained on challenging the Axiata management to keep a steady hold on the businesses even as the Group maintains its responsibilities in navigating persisting uncertainties and increasingly competitive markets in a digitally heightened environment.

Moving Forward

Challenges are expected to persist in 2021, as businesses and communities take stock of new and emerging risks defining the post-COVID-19 landscape. Whilst many expect vaccines will act as a pivotal game-changer, the global community is coming to accept the reality of a vastly altered socio-economic landscape, where recovery will be protracted. Economic revival has been forecast for the second half of 2021, but uncertainty remains as a result of the inequitable distribution of vaccines, and the ebb and surge of the virus from one country to another. As Axiata continues to progress with its journey to achieve the Axiata 5.0 strategy of becoming The Next Generation Digital Champion by 2024, it is incumbent upon the Group to consider life beyond the risks of COVID-19, to make the most of opportunities that arise. The recently proposed Celcom-Digi merger for example, heralds promising growth opportunities for the Group to further its strategic vision and build the leading Malaysian telecommunications service provider that will contribute significantly to advancing the interests of the nation, consumer and industry. Another key value creation proposition the Group has identified for its shareholders and investors involves shifting from a "moderate growth and moderate dividend" investment proposition to a High Dividend Company. Axiata has developed a focused plan to reposition itself in light of changing industry cycles and outlook, whilst also placing greater emphasis on cash and profit.

Acknowledgements

On behalf of the Group, I would like to take this opportunity to record our sincere appreciation for the unflinching support Axiata has received from the governments and regulators in its markets of operations. To the Group's high performing employees, our deepest gratitude for your sterling work over the past year, to overcome unforeseen challenges and continuing to deliver on Axiata's value creation and value preservation efforts. As for our shareholders, we thank you for your continuous faith in the Group and reaffirm our commitment to create long-term sustainable value.

TAN SRI GHAZZALI SHEIKH ABDUL KHALID Chairman

SNCR For more details of our Sustainability Steering Committee, Climate Action Plan, sustainability activities and outcomes, please refer to the SNCR

GAFS For more details on our governance, data privacy and cyber security initiatives and outcomes, please refer to pages 37 to 38 in the "Building Digital Trust Through Data Privacy and Cyber Security" section

Note: ¹ Including edotco Group

- IAR** For more details on:
- Islamic Syndicated Financing, please refer to page 58 of the "Our Financial Resilience" section
 - Axiata 5.0, please refer to page 21 of the "In Conversation with the President & Group Chief Executive Officer" section and page 39 of the "Realising Our Vision" section
 - The proposed Celcom-Digi merger, please refer to pages 27 to 28 of the "In Conversation With The President & Group Chief Executive Officer" section
 - High Dividend Company proposition, please refer to page 29 of the "In Conversation With The President & Group Chief Executive Officer" section
 - Sustainability Steering Committee, please refer to page 89 of the "Holding Ourselves Accountable" section

Our Share Price Performance

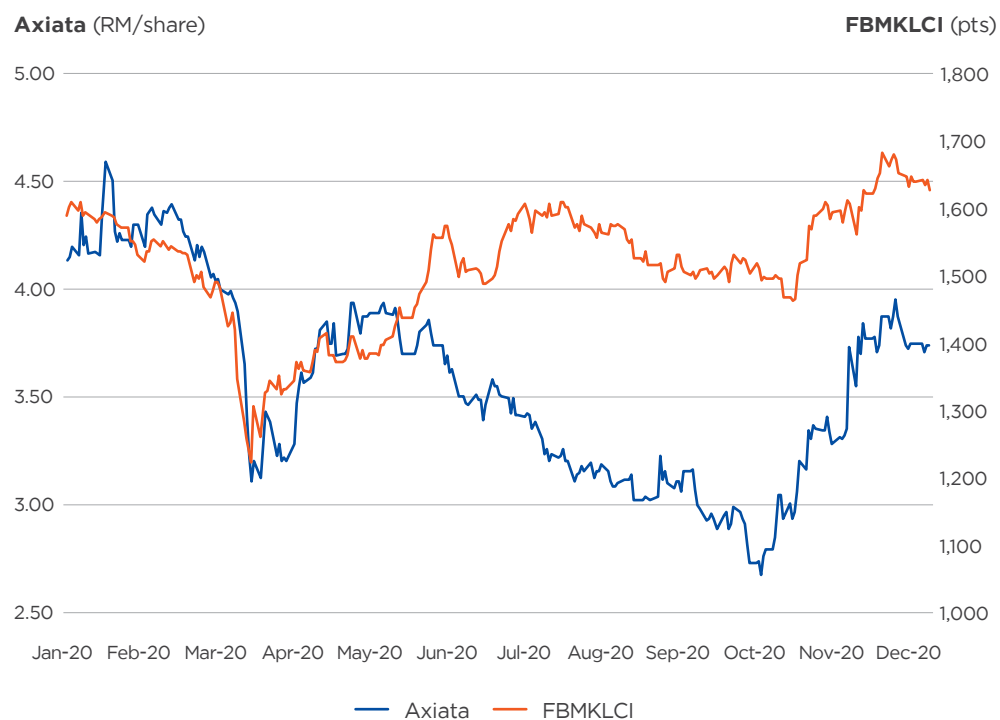
Amidst a challenging pandemic year, Axiata's share price declined by 9.7% to close at RM3.74 on 31 December 2020 versus the local benchmark index FTSE Bursa Malaysia KLCI (FBMKLCI) which was up by 2.4% to 1,627.21. In terms of market capitalisation, Axiata closed the year as the twelfth largest company on FBMKLCI at RM34.3 billion.

Axiata's foreign shareholdings was at 10.4% as at end 2020, compared to 11.1% the preceding year. A similar trend was observed in the local equity market whereby foreign shareholding of Malaysia's equity market fell to 20.7% as at end 2020, compared to 22.3% as at end 2019.

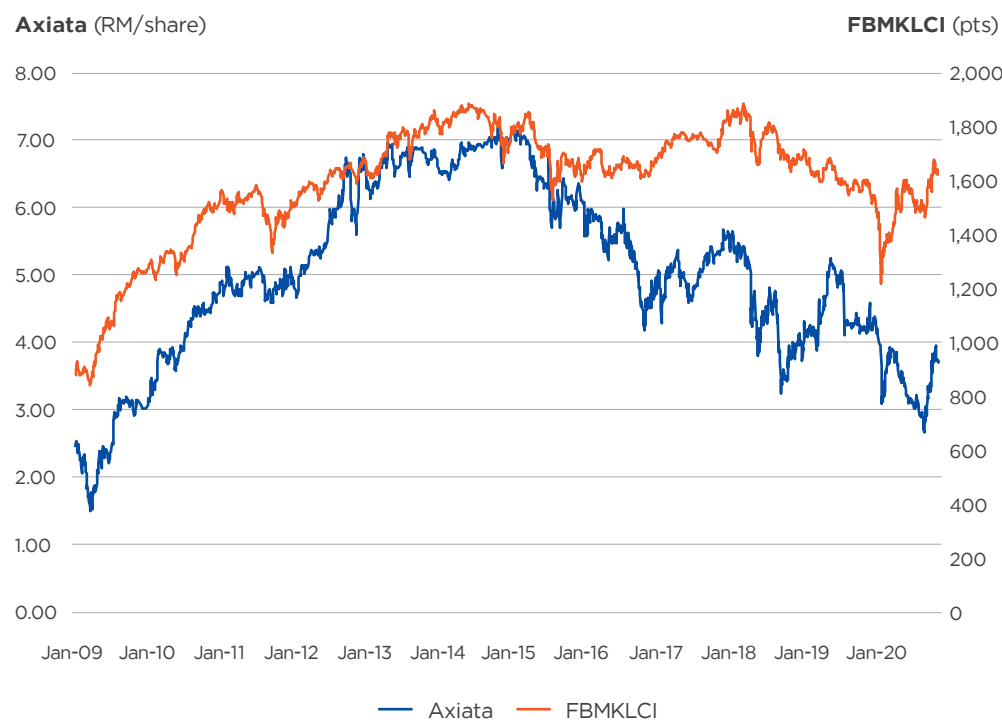
Share price performance for the year was largely influenced by uncertainties brought about by the unprecedented COVID-19 pandemic and its impacts on our OpCos across the footprint, which included accessibility impact from lockdowns and affordability impact from lower economic activities. Additionally, market sentiment on Axiata was also affected by anticipated 5G capex requirements especially in Malaysia and intensified competition in Indonesia since mid-2020. After reaching a low of RM2.66 on 21 October 2020, the share price trended upwards thereafter supported by better-than-expected third quarter results in November.

From 2009 to 2020, Axiata's share price had increased by 52%.

SHARE PRICE PERFORMANCE (2020)



SHARE PRICE PERFORMANCE (2009 - 2020)



Our Dividend Policy

Showcasing resilient performance during the year amidst a global pandemic, Axiata announced a second interim dividend of 5.0 sen per share in February 2021, bringing full year dividend declared for the financial year ended 31 December 2020 to 7.0 sen per share (including first interim dividend of 2.0 sen per share paid in October 2020).

The Board remains committed to our:

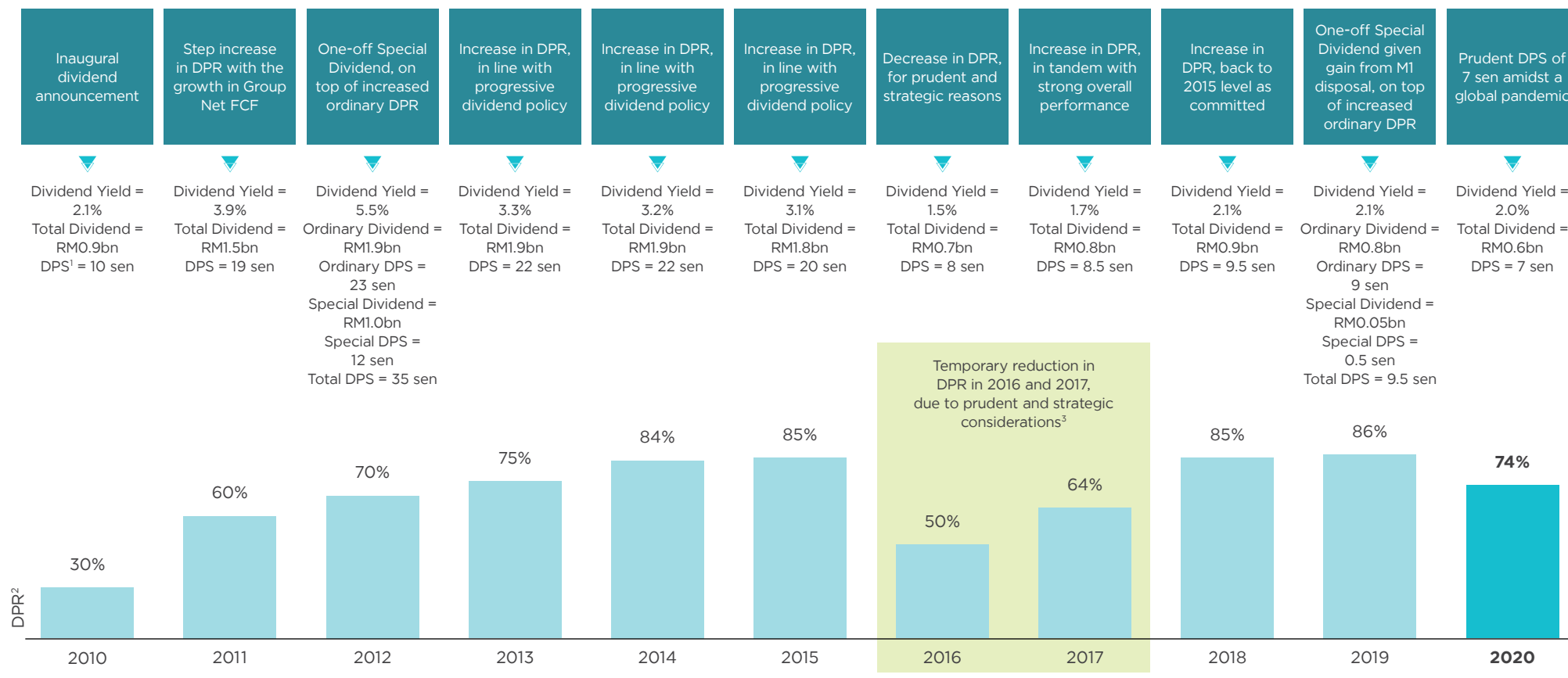
a) Dividend policy: The Company intends to pay dividends of at least 30% of its consolidated normalised PATAMI and endeavours to progressively increase the payout ratio over a period of time, subject to a number of factors including business prospects, capital requirements and

surplus, growth/expansion strategy, considerations for non-recurring items and other factors considered relevant by the Board.

b) Investor proposition: Our value proposition to investors of “moderate growth and moderate dividend”.

During Axiata Analyst & Investor Day in December 2020, we announced our new investor proposition to be a High Dividend Company by 2024, with a dividend per share target of more than 20 sen. Supporting this target is Axiata 5.0, which focuses on executing 10 Key Focus Areas to deliver high and sustainable dividends for our shareholders.

PRUDENT AND DISCIPLINED DIVIDEND PAYOUT



Notes: ¹ DPS – Dividend per share

² DPR – Dividend payout ratio excluding special dividend

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

In Conversation With The President & Group Chief Executive Officer



Scan to watch a multimedia version of the President & Group Chief Executive Officer's Message



Dato' Izzaddin Idris

Ready For Next

It is said that true character is revealed in the face of abject adversity. The COVID-19 pandemic forced mankind to quickly adjust to life amidst a healthcare crisis, movement controls and the resulting economic slowdown. Never before had the medical science fraternity faced a challenge so grave requiring singular focus on rapidly developing a vaccine for the world. It was also a year that catalysed sharp shifts in consumer and work-life behaviours, as businesses and industries struggled to survive, some collapsing entirely due to their inability to serve customers in restrictive conditions.

Ongoing adjustments within the telecommunications sector to future-proof for the Fourth Industrial Revolution (IR 4.0) enabled the sector to rise seamlessly and immediately to serve as a critical utility provider that kept businesses and communities up and running, enabling people to continue connecting with each

other from the safety of their homes. Employees required to Work-From-Home (WFH) accessed digital work and meeting platforms, students attended online classes, while families and friends remained in touch through online social media and conferencing platforms. Mobile connectivity drove consumption by enabling e-commerce transactions and facilitating digital financial transactions. Cyber security and data privacy became an even greater imperative, and telcos were even more conscious of their obligation to protect customer data.

Even as telcos reorient their business models to survive rapidly evolving technology cycles and disruptive Over-The-Top (OTT) platforms, the pandemic has further upped the ante on digitalisation globally. In keeping with new normal demand shifts, the role of telcos has expanded from being providers of connectivity into the realm of being engines of socioeconomic growth in the digital era.

Bridging the diverse needs of governments, businesses, societies and individuals, the competitive edge for telcos in this new reality lies in their ability to deliver digital and technological convergence through the use of Machine Learning, Internet of Things (IoT), Data Analytics, Artificial Intelligence and other advanced technologies combined with telco products and services.

Against this fluid backdrop of changes, opportunities, and challenges, we speak to Axiata's President & Group Chief Executive Officer Dato' Izzaddin Idris to gain insights into the Group's performance, its plans for continued value creation, his take on new normal dynamics, as well as his vision for the Group's growth trajectory in its transformation into The Next Generation Digital Champion by 2024.

Overview of the Q&As

<p>Q1</p> <p>What is your take on the Group's performance in 2020?</p> <p>▶ pg16</p>	<p>Q2</p> <p>How did Axiata's Operating Companies (OpCos) perform in 2020?</p> <p>▶ pg17</p>	<p>Q3</p> <p>How did Axiata and its OpCos align to meet with the multi-pronged impacts of the COVID-19 crisis?</p> <p>▶ pg20</p>	<p>Q4</p> <p>What are key considerations made by Axiata in aligning its strategy to rise above industry competition and capture new opportunities?</p> <p>▶ pg20</p>	<p>Q5</p> <p>How will Axiata harness Group-wide strengths to execute initiatives under Axiata 5.0?</p> <p>▶ pg21</p>	<p>Q6</p> <p>How prepared is Axiata for the 5G cycle?</p> <p>▶ pg23</p>	<p>Q7</p> <p>Given the heightened push towards digitalisation, are Axiata's Digital Businesses ready for greater value creation?</p> <p>▶ pg25</p>	<p>Q8</p> <p>Is edotco's potential listing still on the cards?</p> <p>▶ pg26</p>	<p>Q9</p> <p>How does the recently proposed Celcom-Digi merger strengthen Axiata's proposition for value creation?</p> <p>▶ pg27</p>	<p>Q10</p> <p>What is the outlook for moving forward?</p> <p>▶ pg28</p>
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In Conversation With The President & Group Chief Executive Officer

1. What is your take on the Group's performance in 2020?

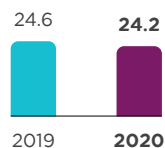
Axiata delivered a credible performance in a challenging year, maintained resilience and remained a trustworthy partner to customers and communities in 2020 thanks to our strong fundamentals, especially the Team. Treading cautiously into the uncharted territory of pandemic impacts, we focused our attention on critical priority areas, namely the unfolding catastrophic humanitarian crisis before us, and prudence in spends and liquidity management.

I am exceptionally proud of how as a Group we prevailed amidst challenging conditions to execute a collective and purposeful response to the diverse needs of our stakeholders from the early onset of COVID-19 challenges.

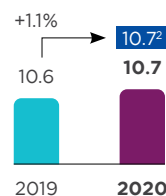
Together with our OpCos, Axiata responded through cash and in-kind contributions to support emergency needs as well as increased demand for connectivity and data volumes.

Transitioning smoothly into digital ways of working, mindful of our employees' safety and wellbeing, we were able to secure the continuity of services across our footprint amidst unexpected movement and travel restrictions. Financially, we took measured steps, focusing on building liquidity, conserving cash mainly through capital expenditure (capex) optimisation and a disciplined approach to manage Group-wide costs, whilst also taking steps to build a war chest to take advantage of new normal growth opportunities.

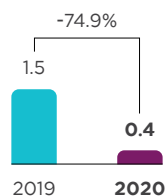
Revenue
(RM Billion)



EBITDA
(RM Billion)

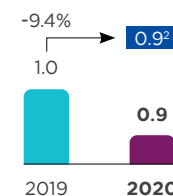


PATAMI
(RM Billion)

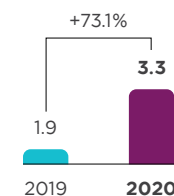


PATAMI for 2020 impacted by accelerated depreciation and assets write-off mainly for 3G and lower one-off gains

Underlying PATAMI
(RM Billion)



OFCF
(RM Billion)



This measured approach with strong resilience yielded better-than-expected results for the Group. Amid pandemic-triggered lockdowns and the resultant economic slowdown across our operating markets even as revenue slipped marginally, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) held steady.

A study of our underlying performance demonstrates that we are on point with our Group-wide initiatives for digitisation, Collective Brain and Operational Excellence which drove results in several areas. All OpCos except Ncell and edotco delivered better than expected results.

Whilst revenue excluding device (ex-device) slipped marginally by 1%¹, EBITDA rose 1.1%¹ to RM10.7 billion on the back of EBITDA growth at Dialog, Robi and Smart, outpacing revenue ex-device growth with operating expenditure (opex) savings of RM745 million. This resulted in a 0.8 percentage points improvement in EBITDA margin to 44%.

Underlying Profit After Tax and Minority Interest (PATAMI) decreased 9.4%¹ to RM865 million, mainly impacted by higher depreciation and amortisation, lower contributions from Ncell and edotco, and higher marketing spend at Axiata Digital in support of the Government's drive for e-wallet adoption.

Reported PATAMI absorbed the impact of our business-critical decision to accelerate 3G shutdowns across the Group and reform spectrum for better 4G service and lower one-off gains in 2020 compared to 2019 from the disposal of M1 and Idea rights, as well as divestment of non-core digital businesses in 2019. On accelerating 3G shutdowns, we are operating on the basis that as we enter the golden age of digitalisation,

there is little patience for laggards. Despite uncertainties, we are focused on delivering the best available services and solutions to our customers and communities as societies grapple with the new normal.

Moves taken to strengthen the balance sheet in view of external conditions yielded strong operating free cashflow (OFCF) of RM3.3 billion and high cash balance of RM7.2 billion, complemented by a manageable gross debt to EBITDA at 2.6x at Group level.

Strengthening liquidity, the Group issued a dual-tranche offering in August 2020, comprising the 10-year USD500 million Sukuk and 30-year USD1 billion Notes from a Euro Medium Term Note Programme successfully delivering capitalisation on historical low interest rates. Achieving the third tightest coupon globally by a telco in both 10-year and 30-year categories, the average maturity tenure of the Group's borrowings increased to 10 years, with 60%+ at fixed interest at these low levels. A reflection of Axiata's credit standing, the 10-year tranche was issued at 2.163% whilst the 30-year portion was secured at 3.064%. Apart from that, in May 2020, the Group secured a USD800 million Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities. Both facilities enhanced the Group's capital position significantly, while breaking new grounds in the financing market locally and globally. At the same time, it was also a clear validation from fixed-income investors in the long-term fundamentals and resilience of Axiata's business model.

Consisting of over 400 unique Group-wide initiatives, Axiata's Cost Excellence programme delivered a total of RM1.8 billion in cost savings in 2020, of which 58% were capex savings and 42% were opex savings. Our rigour and focus in this area over the last four years have resulted in

the Group exceeding the RM5.0 billion savings target one year ahead of schedule, and the Cost Excellence programme has been critical in driving Axiata's momentum towards achieving our target to become the lowest cost producer of data in all our operating markets.

With regards to capex savings, it is important to clarify that the Group's decision to defer some spending in 2020 was not a result of our cash conservation move, but rather because market conditions were un conducive for investment and due to continuing optimisation efforts. There were a variety of other factors that had to be considered. edotco, for example recorded a reduction in its order book as a result of customers deferring new builds, while spectrum constraint in Nepal led to roll outs being held back.

The year in review did not see much corporate activities but Robi made its mark on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in what was Bangladesh's biggest Initial Public Offering in a decade. With an IPO price of BDT10, shares were oversubscribed 5.7x on listing given interest from both retail and institutional investors. Three months in, as of 31 March 2021, the share price continues to hold steady at BDT44.3.

Overall, I am pleased to say that the resilient performance for the year enabled a total dividend payout of 7.0 sen dividend per share for 2020. Our results and achievements despite the overwhelming issues arising from the pandemic, bespeaks the strong will, hard work and positive attitude of every employee across the Group and for this, I am absolutely grateful.

Note: ¹ Underlying performance – at constant currency



For more details on our COVID-19 responses across the Group, please refer to pages 8 to 9 of the "And This Was How We Responded to the COVID-19 Pandemic" section

In Conversation With The President & Group Chief Executive Officer








2. How did Axiata's Operating Companies (OpCos) perform in 2020?

Despite the challenging first half due to pandemic triggered lockdowns, ensuing economic downturns across our footprint, as well as ongoing hyper competitive pressures, all our OpCos delivered exceptional performance on the back of disciplined execution of Operational Excellence and cost optimisation initiatives.

In fact, the discipline we have built to focus on cash and profits has paid off and I am pleased to report that apart from edotco and Ncell, all OpCos recorded EBITDA and PATAMI growth¹ in 2020. In terms of Free Cash Flow (FCF), all OpCos recorded growth² except Robi, which recorded higher capex from 2020 due to spillover from 2019.

Let us review each OpCo's performance briefly and for your convenience, a summary of the growth of key financial metrics in 2020 is as follows:

2020 Growth Rates

2020 vs 2019							
Revenue ³	-8.8%	+3.8%	+1.4%	+3.0%	-22.6%	+3.8%	+4.0%
EBITDA	+2.4% ²	+31.0%	+11.8%	+8.9%	-24.8%	+6.6%	-0.8%
PATAMI ¹	+11.5%	+7.8%	+> 100%	+20.2%	-77.9%	+4.2%	-21.3%
FCF	+6.1% ²	+> 100%	-23.1%	+21.9%	+13.4%	+35.9%	+14.3%

Notes: Growth rates based on results in local currency in respective operating markets

¹ Excluding 3G asset accelerated depreciation and write-off for all Digital Telcos except Ncell, Employee Restructuring Programme for Celcom and gain on tower disposal for XL in 2020

² Excluding Employee Restructuring Programme for Celcom in 2020

³ Revenue ex-device for digital telcos



For more details on our Operating Companies Performance, please refer to pages 59 to 78 of the "Delivering Our Strategy" section

In Conversation With The President & Group Chief Executive Officer

How did Axiata's Operating Companies (OpCos) perform in 2020? (cont'd)

Digital Telcos



Steady recovery at Celcom in second half 2020

- ▶ Celcom's revenue (ex-device) single-digit decline in 2020 is largely due to the loss of subscribers in the first half of 2020 and Average Revenue Per User (ARPU) decline due to pandemic impacts and industry conditions
- ▶ However, since the kick-off of Celcom's Three-Year Transformation Programme in August 2020, encouraging signs of recovery emerged in the second half of the year
- ▶ Improvements in product innovation, go-to market (GTM) strategy and digital channels led Celcom to secure eight consecutive months of positive subscriber net adds, surpassing pre-pandemic levels with the addition of 306,000 new customers Year on Year (YoY). Celcom thus ended 2020 as the biggest gainer of subscribers in the industry
- ▶ Driven by a relentless "customer-first" strategy, we are optimistic about Celcom's 2021 performance which will be driven by razor-sharp execution in improving speed-to-market (physical and digital), enhancing network resilience and monetisation, as well as winning back priority regions



Strong performance at XL despite price war and pandemic

- ▶ XL once again punched above its weight to deliver solid results, recording single digit growth in revenue (ex-device) as well as double-digit EBITDA and FCF growth mainly due to effective opex management and calibrated capital investments
- ▶ The aggressive expansion of its 4G network has expanded XL's reach to 458 cities across Indonesia with over 54,000 4G Base Transceiver Stations (BTS), which continues to bode well for its data-led strategy in Indonesia
- ▶ Going into 2021, heightened competition following the proposed in market consolidation remains a key risk factor for XL
- ▶ On the bright side, we expect our ex-Java investments to continue to bear fruits in 2021 and beyond - further supported by potential upsides from the Omnibus law, continued expansion of the Home and Enterprise segments and improved market agility through accelerated digital adoption



Solid earnings growth for Dialog

- ▶ Holding the fort against challenging lockdown impacts, Dialog successfully retained market leadership, delivering single-digit revenue (ex-device) and EBITDA growth on the back of higher data revenue
- ▶ Dialog Enterprise continued to record key wins including the acquisition of a 100% stake in H One (Private) Limited, a Microsoft award-winning tier-one partner specialising in analytics as well as modern Cloud/workplace, security and digital advisory services
- ▶ Looking ahead, the impact of Mobile Number Portability (MNP) is the main risk factor for Dialog. As network leadership is key to winning in number portability, the Dialog team has already begun gearing up for the race with analytics-driven network enhancements. Coupled with its customer centricity and strong brand affinity, we believe Dialog is well-positioned to defend its market leadership post-MNP



Robi scales new heights

- ▶ Demonstrating strong momentum in 2020, Robi overcame pandemic-related top line challenges to deliver sustained profitability and EBITDA growth
- ▶ Robi continued with 4.5G network expansion in line with plans to grow data market leadership and achieved a significant milestone in terms of subscriber growth, crossing the 50 million mark during the year
- ▶ In 2021, we expect Robi to continue to double down on the monetisation of its non-Comilla, Chittagong and Dhaka (non-CCD) investments to deliver superior growth. Furthermore, the Significant Market Player regulation may also provide some relief to Robi in balancing the existing competitive dynamic in its market



Challenging year for Ncell

- ▶ Overall, Ncell's 2020 performance was dampened mainly due to spectrum deficit relative to competition which suppressed its market competitiveness, revenue growth and profitability, in addition to mobile and fixed line competitors
- ▶ Our most critical concern of spectrum disparity is expected to be resolved through the approval of Ncell's L900 application by the second quarter of 2021, with network readiness already in progress to support activation and roll out within the subsequent quarter
- ▶ This will allow Ncell to compete more effectively through better network performance and cost structure, which will in turn improve its data monetisation capability
- ▶ Coupled with double-digit growth from the Home and Enterprise segments, exciting product innovations and higher GTM resilience via digitisation, the outlook for Ncell looks promising



Steady pace from Smart

- ▶ Defending against strong economic headwinds, Smart closed the year on a steady footing backed by cost optimisation and increased data consumption amongst Cambodians
- ▶ SmartLuy, Smart's digital wallet, received approval from the National Bank of Cambodia to merge with Pi Pay, the country's flagship payments app, paving the way for enhanced growth in the e-wallet segment
- ▶ In 2021, slower economic recovery and regulatory uncertainties are the main risk factors for Smart. Given its past performance, we are confident that Smart will preserve its market position through continued focus on Operational Excellence, selective 5G investments and tactical suburban expansions to improve data margins and revenue market share
- ▶ Additionally, opportunities in the Home segment may also serve as a stepping stone to accelerate growth in the Enterprise segment

In Conversation With The President & Group Chief Executive Officer

How did Axiata's Operating Companies (OpCos) perform in 2020? (cont'd)

Infrastructure



edotco impacted by deferred orders for new roll outs and proactive measures on receivables

- ▶ Impacted by heightened competition, overall slowdown in planned network expansion and further pressure on margin for customers, edotco maintained a strong liquidity position on the back of lower spending on capex and overall costs attributed to the deferment of the planned roll outs by its customers
- ▶ Moving into 2021, edotco will remain focused on cementing its market leadership through inorganic growth in the form of sale and leaseback initiatives, bite-sized M&A¹ deals and opportunistic entries into new markets

Digital Businesses

AXIATA DIGITAL

Axiata Digital continues to shape up towards realising Digital Bank aspiration

- ▶ The highlight of the year for Axiata Digital was the RM294.0 million (USD70.0 million) strategic investment from Great Eastern Holdings into Digital Financial services which provided a solid validation for Axiata's digital businesses
- ▶ Proceeds from the investment will fund expansion plans for Axiata Digital's Digital Financial Services business in Malaysia and the region, including securing Boost's next level push to develop its ecosystem of merchants and customers, and enhancing Aspirasi's credit scoring technology to fuel our Digital Bank aspiration
- ▶ Serving as a form of recognition of its leading role in the local e-wallet space, in 2020 Boost was selected by the Malaysian Government to carry out four key national initiatives, namely the e-Tunai Rakyat RM30 incentive, RM50 e-PENJANA Credits Programme, MSME² e-Commerce campaign and the Shop Malaysia Online campaign

- ▶ As communities and businesses continue to face challenges from persisting economic uncertainties, Aspirasi remains confidently poised to serve rising demand for micro-financing and micro-insurance services, as well as business digitalisation support services



Total financing grew more than 5x to RM207 million in 2020



Significant uptake with 9,176 merchants applying for loans



- ▶ ADA, our digital analytics and artificial intelligence company continues to break new ground in enhancing its data, analytics and insights offerings. It has also launched new service lines in Marketing Technology and e-Commerce enablement to offer extensive data services to its growing roster of clients



Strong YoY EBITDA growth of 161%



Remained PAT positive with 7x YoY growth



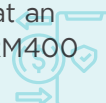
1.7x YoY growth to 8.8 million users for 2020



Merchant touchpoints expanded 1.8x to 224,000



Highly engaged, active user base transacting at an average of RM400 per week



Notes: ¹ M&A = Mergers and Acquisitions
² MSME = Micro-SME

In Conversation With The President & Group Chief Executive Officer

3. How did Axiata and its OpCos align to meet with the multi-pronged impacts of the COVID-19 crisis?

From the very outset of the pandemic, the global industry recognised the quickly unfolding COVID-19 crisis as a black swan event of unimaginable depth and duration that would affect most if not all areas considered material to Axiata's businesses.

On our home front, Axiata's Business Continuity and Crisis Management function immediately addressed, among others, crisis-response protocols on crisis prevention, identification, response and overall stakeholder management. The Crisis Management Team was led by the then Group CEO Tan Sri Jamaludin Ibrahim and myself as the Deputy Group CEO, along with the Recovery Director and select Senior Leadership Team (SLT) members. Together, we initiated granular action plans that cut across various aspects of our regional operations with the prime objective of sustaining our businesses.

We identified six key areas to focus on:

- | | |
|---|---|
| 1. Business Impact | 4. Technology and Cyber Resilience |
| 2. Employee Wellness | 5. Supply Chain |
| 3. Business Continuity Management Response | 6. Corporate Social Responsibility |

Financial and treasury implications were continuously analysed to determine potential impacts on our business goals and from thereon, we zeroed in on initiatives required to ensure firm control of our cash flows and balance sheet.

With the massive surge in network utilisation, it was also critical for the Group to maintain network resiliency, which had increased three- to four-fold. With homes becoming the main location for work, study and entertainment, we recalibrated and rechannelled investments to residential areas with the aim of alleviating congestion. We prioritised network resilience across all our OpCos by ensuring continuous and reliable network services and enhancing our cyber defence capabilities, to provide our customers with trustworthy and stable connectivity. Our state-of-the-art Group Security Operations Centre provided 24/7 security services across Axiata without any interruption during the lockdown period.

Recognising emergency and economic needs from the unprecedented crisis across the region, Axiata and our OpCos enabled connectivity for frontliners as well as other protection and prevention initiatives including contributions to national disaster recovery efforts across our footprint mainly Malaysia, Indonesia, Cambodia, Sri Lanka, Bangladesh and Nepal.

As a result of our concrete and concentrated efforts, we have been able to deliver on our commitment to all our stakeholders, staying true to our purpose of creating value by Advancing Asia, even as we position ourselves for long-term profitability and growth.

4. What are key considerations made by Axiata in aligning its strategy to rise above industry competition and capture new opportunities?

Since inception and throughout all our phases of growth, Axiata has demonstrated a long-term mindset to future-proof the Group through various industry cycles. This is clearly embodied in our current push towards becoming The Next Generation Digital Champion by 2024 - our Axiata 5.0 vision. Gazing into the future to anticipate the evolving needs of our stakeholders and guided by our purpose of Advancing Asia, we are striving towards the creation of sustainable digital ecosystems across our footprint to benefit consumers, businesses and societies, as well as over 12,600¹ talents that we employ.

Taking into account the technological traction being built as part of IR 4.0 and aligning it with the massive shifts in consumer behaviours across the digital landscape, in 2020, we have adapted and refined our strategy under Axiata 5.0 to emerge as the winner in the new normal.

Axiata 5.0 encompasses three components - our overarching Vision, the Aspiration for each of our three core businesses, and the main execution levers under Three Core Pillars with 10 Key Focus Areas. All our OpCos are now moving in the direction defined by Axiata 5.0, to enable us to deliver on our vision and aspirations by 2024.

VISION: THE NEXT GENERATION DIGITAL CHAMPION BY 2024

Supported by the Axiata 5.0 Strategic Initiatives: Three Core Pillars and 10 Key Focus Areas



Note: ¹ Includes edotco Group and Axiata Digital employees



For more details on:

- COVID-19 impact and our responses to the crisis across the Group, please refer to pages 8 to 9 of the "And This Was How We Responded To The COVID-19 Pandemic"

- For the results of our latest materiality assessment which includes stakeholder sentiments, please refer to pages 31 to 32 of the "Considering What Matters" section

In Conversation With The President & Group Chief Executive Officer

5. How will Axiata harness Group-wide strengths to execute initiatives under Axiata 5.0?

The shift in lifestyle and work behaviours in the aftermath of the pandemic has created new opportunities for telcos, as the home is now the new centre of gravity for business, work, entertainment and education. The physical change in human behaviour may lead towards de-urbanisation and de-densification, as work-from-home flexibility and social activities shift from an urban base, to suburban, and potentially in the longer term, even rural areas.

This seminal pivot applies to Axiata across our core businesses of Digital Telcos, Digital Businesses and Infrastructure. It unlocks new opportunities for us across the business segments of Individual Consumer, Homes and Enterprise, as well as Digital Financial Services, and Digital Analytics and Artificial Intelligence.

Our OpCos are characteristically champions in establishing sustainable competitive advantage and exhibit an incessant drive for innovation, digitisation, product development and GTM agility, that in combination elevate customer experience.

In coping with the step changes and shorter technology and product lifecycles in these post-pandemic times, the Axiata 5.0 strategy strengthens our Operational Excellence constructs to facilitate greater agility and heightened levels of scale and group synergy. Two other areas that have been strengthened significantly within this thrust are our commitment to world-class Data Privacy and Cyber Security standards to protect our customers globally while simultaneously pursuing our relentless drive towards digital transformation.

Axiata’s refined strategic approach to digital transformation has accelerated the delivery of outcomes from three focus initiatives within the Group-wide Digitisation Strategy:

- ▶ Learn, Engage, Accelerate and Perform (LEAP) programme;
- ▶ Human resource agility initiatives aligned with transforming the Group into a Modern, Agile and Digital (M.A.D.) organisation; and
- ▶ Infrastructure Planning and Delivery Intelligence

Axiata has accordingly focused on extracting Business Outcomes across **Six Core Business Dimensions** as set out below:

Product and Pricing (Consumer and SME)

- ▶ “Unlimited” and Nomadic Mobility a Norm, Digital a Must – Business to Consumer (B2C) and Business to Business (B2B)
- ▶ Delivering our customer promise profitably via innovative plans and Operational Excellence

Enterprise

- ▶ Revenue growth from Enterprise business, especially in non-Mobile services

Sales and Distribution

- ▶ Fulfilling Customers’ Demand Anytime, Anywhere
- ▶ Lean, insights-driven model to optimise physical-digital touchpoints

Market Imperatives and Execution Strategies

- Customers seeking “unlimited” data as they pivot to new ways of working and living
- Greater focus on digital and technological convergence in the Home segment
- More businesses digitalising their operations to cater to their own customer preferences as well as employees working from home
- To tactically address the above, Digital Telcos can differentiate products by quality of service, time of day and customer category
- Digital Telcos to also develop and offer innovative digital transformation products to the Home and Enterprise segments

Market Imperatives and Execution Strategies

- Comprehensive services spanning basic connectivity to complex horizontal and vertical solutions
- Strengthen our market proposition by entering into strategic partnerships and conducting acquisitions in the areas of Cloud, Cyber Security and Analytics
- Develop solutions for “Delivery at Scale” for MSMEs, MNCs, Large Enterprises, and the Government/Public sector

Market Imperatives and Execution Strategies

- Home as the centre of gravity, retail-at-the-edge and a maturing Gig Economy redefining our future
- Prepare for the new normal by ensuring robust digital platform for dealer/trade and distribution management systems, and the digitisation of all sales channel touchpoints as part of our Digital Transformation Strategy

In Conversation With The President & Group Chief Executive Officer

How will Axiata harness Group-wide strengths to execute initiatives under Axiata 5.0? (cont'd)

Customer Care

- ▶ Delighting Our Customers at Every Touchpoint
- ▶ Intelligent Omnichannel Customer Experience (CX) to deliver seamless CX with the lowest cost to serve

Market Imperatives and Execution Strategies

- Modernising physical and digital channels to fulfil customer expectations anywhere and at anytime - with our customers placed at the heart of our CX strategy
- Set up Group-wide common platforms including a Chatbot Framework and a portfolio of rich and capable self-care apps to deliver this customer experience on demand

Network and IT

- ▶ Technology Transformation via the Collective Brain

Market Imperatives and Execution Strategies

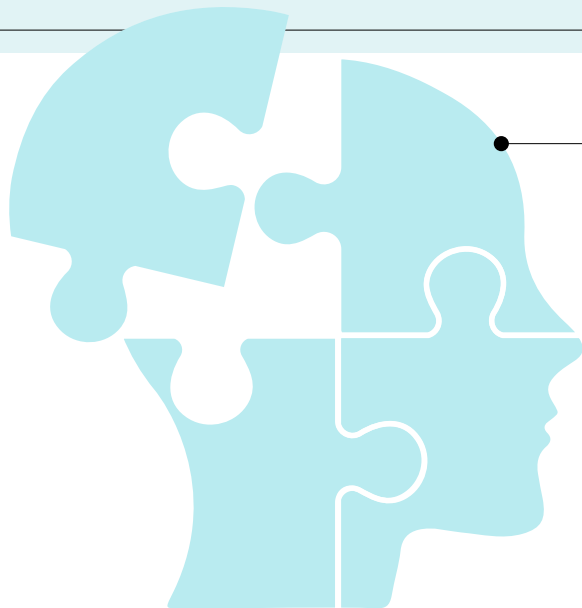
- Collective Brain as a radical new way of working i.e. harnessing the collective experience and capabilities of our Subject Matter Experts located across the Group to extract synergies and drive Group-wide harmonisation via “Virtual Centralisation” - where the “whole” is expected to be greater than the “sum of parts”
- Digitisation and Analytics as Axiata’s core differentiator, with OpCos and our Digital Businesses leveraging on analytics, Artificial Intelligence and Machine Learning as key enablers
- Through its unique digital abilities and Group-wide resources, Axiata Digital Labs (ADL) is well positioned as a pillar of Axiata to transform into The Next Generation Digital Champion

People and Organisation

- ▶ Transformation into a M.A.D. organisation

Market Imperatives and Execution Strategies

- Taking on the challenge of becoming The Next Generation Digital Champion by developing our people skills and organisational culture
- Axiata FastForward as a Group-wide intelligent learning technology platform in line with becoming a M.A.D. organisation
- Continuing to live up to our DNA of “Uncompromising Integrity, Exceptional Performance” (UI.EP)



The Collective Brain concept

A true celebration of the strength of Axiata’s diversity, harnessing the unique perspectives, insights and learnings that our people have gathered throughout the course of their career.

It enables OpCo leaders from across ASEAN and South Asia to work collectively to make decisions and guide execution across several business dimensions:

- ▶ **Product and Pricing (Consumer and SME)**
- ▶ **Customer Care**
- ▶ **Enterprise**
- ▶ **Network and IT**
- ▶ **Sales and Distribution**
- ▶ **People and Organisation**

We are confident that our Collective Brain approach will be a needle mover in the years to come. It involves the virtual centralisation of the Group’s best and brightest brains from across all our OpCos, so that our people can collectively make the best decisions for the Group.

With the above construct, we believe that the resulting cross-OpCo harmonisation and standardisation, particularly in Network and IT, will result in better scale for procurement optimisation. In view of its potential, we have set ourselves an ambitious target to achieve cumulative savings of between RM3 billion to RM4 billion by 2024 as a result of our Collective Brain initiative under Network and IT spend.

In Conversation With The President & Group Chief Executive Officer

6. How prepared is Axiata for the 5G cycle?

While the pandemic has somewhat impacted 5G roll outs in our regional markets, the Group through our OpCos have maintained our unwavering support of national 5G ambitions by staying on course and putting in place the necessary components for our OpCos to be 5G ready.

Thus far, Malaysia has demonstrated clear momentum on this front, with the Government announcing, as part of the National Digital Economy Blueprint (MyDIGITAL), the formation of a Special Purpose Vehicle (SPV) that will accelerate 5G roll outs by end 2021. With Malaysia as our home base, Axiata is unmistakably committed and supportive towards the Government's programmes that are in place to improve connectivity and accelerate digitalisation:







▶ **We continue to support the Jalanan Digital Negara (JENDELA)¹ initiative to provide wider coverage and better broadband quality and experience given the digitally-accelerated post-pandemic environment**

On 18 March 2021, Celcom together with Malaysian telco counterparts Digi Telecommunications Sdn Bhd and Maxis Bhd announced a definitive agreement to jointly develop and share fibre infrastructure. The partnership is envisaged as an efficient way forward, especially in enabling faster and more efficient deployment of fibre backhaul to base stations, avoiding duplication of fibre infrastructure in the country, whilst at the same time readying tower infrastructure for 5G deployment.

▶ **We are aligned with the aspirations of the Government's MyDIGITAL initiative to accelerate the shift towards a digital economy and to leverage IR 4.0 opportunities**

Axiata's three lines of business are well-poised to support MyDIGITAL, especially given our Axiata 5.0 Key Focus Areas. Essentially, many parts of our businesses are "components" or "building blocks" that support the plans the Government has mapped out.

Supporting the Government's aspirations under MyDIGITAL through Axiata's digital ecosystem for Malaysia

MyDIGITAL Thrusts	Our Businesses	Key Focus Areas Under Axiata 5.0
 Drive digital transformation in the public sector	Digital Telcos and Digital Businesses	3 New Growth Area 7 Stakeholder Management
 Boost economic competitiveness through digitalisation	Digital Telcos, Digital Businesses and Infrastructure	1 Positioning for New Norms 3 New Growth Area
 Build enabling digital infrastructure	Infrastructure	1 Positioning for New Norms 3 New Growth Area 7 Stakeholder Management
 Build agile and competent digital talent	Digital Telcos, Digital Businesses and Infrastructure	1 Positioning for New Norms 7 Stakeholder Management 8 Organisation 5.0
 Create an inclusive digital society	Digital Telcos, Digital Businesses and Infrastructure	3 New Growth Area 7 Stakeholder Management
 Build trusted, secure and ethical digital environment	Digital Telcos and Digital Businesses	3 New Growth Area 7 Stakeholder Management

Note: ¹ A plan formulated by the Malaysian government to provide wider coverage and better quality of broadband experience for its citizens, whilst preparing the country for 5G technology


IAR For more details on Axiata 5.0 and the 10 Key Focus Areas, please refer to page 39 of the "Realising Our Vision" section


In Conversation With The President & Group Chief Executive Officer

How prepared is Axiata for the 5G cycle? (cont'd)


There are a number of key areas to consider when determining our OpCos' readiness for 5G deployments. Below, we elaborate further our OpCos' state of preparedness in heralding the dawn of 5G.


- ▶ Was one of the earliest operators to conduct 5G trials and pilots in Malaysia 
- ▶ Engaging with the Malaysian Communications and Multimedia Commission (MCMC), Digital Nasional Berhad, industry players and other stakeholders on the intended technical architecture, operations and wholesale arrangements of the 5G SPV
- ▶ Developing 5G products and use cases, as well as establishing strategic partnerships for B2C and B2B 5G products/innovations

- ▶ Was one of the earliest operators to conduct 5G trials and pilots in Indonesia 
- ▶ Established a team highly skilled in new technologies such as VoLTE, Cloud Infrastructure and 5G, to further develop internal capabilities
- ▶ Increasing fibre footprint in anticipation for 5G
- ▶ Working with Ministry of Communications and IT to ensure sufficient and timely release of 5G spectrum


- ▶ 200MHz trial spectrum given to Dialog Axiata for 5G pilot by Telecommunication Regulatory Commission of Sri Lanka 
- ▶ Launched first 5G pilot network in Colombo, Kandy and Galle
- ▶ Developing 5G awareness and engaging with industry partners to co-innovate
- ▶ 5G awareness campaign in key districts covering industry partners and educational institutes



- ▶ The only operator in Bangladesh to have successfully conducted 5G test runs 

- ▶ Ready to roll out 5G network on the 3.5GHz spectrum 
- ▶ Conducted one-year trial to identify 5G sites, tested various live scenarios and upgraded backhaul links to accommodate 5G network layers
- ▶ Successfully ran 5G trials at 20 different sites in Phnom Penh and Kandal
- ▶ Exploring new use cases beyond enhanced mobile broadband (eMBB) and fixed wireless access (FWA)

- ▶ Technically ready, and awaiting software licences 
- ▶ Commercial spectrum awarded in April 2021
- ▶ Working with regulators to commence 5G trials

- ▶ First 5G private network launched in Langkawi International Airport 

In Conversation With The President & Group Chief Executive Officer

7. Given the heightened push towards digitalisation, are Axiata's Digital Businesses ready for greater value creation?

Axiata Digital focuses on two core verticals, namely Digital Financial Services (DFS) as conducted by Boost, our e-wallet and digital payments platform, and Aspirasi, our micro-financing and micro-insurance business; and ADA, our digital analytics and artificial intelligence (AI) company.

Having successfully incubated early learnings to consolidate its core digital businesses, Axiata Digital is on track to achieve profitability and value capture by 2022. The current emphasis is on driving monetisation through strategic partnerships to further build and extract value from competencies

we have developed. Ultimately, we are keen on unlocking this added value through the prospective future listing of the two potential unicorns we are striving to develop with our DFS and digital analytics and AI businesses. Today, our DFS business has reached the halfway mark, with both our entities attracting an external valuation of approximately RM1.3 billion (USD320.0 million) in early 2020. ADA meanwhile continues to gain significant traction in its evolution into a cutting edge digital analytics and AI driven agency, working alongside leading brands to push the envelope on digital and data maturity across nine markets in South and Southeast Asia.

Undisputed e-Wallet and Cashless Merchant Payment Solutions



Boost has also created new revenue streams by taking on commissions from merchants



Ramping up our DFS offerings, Boost has evolved to become the undisputed e-wallet and cashless merchant payment solution leader in Malaysia, aided further by its ability to provide a safer way for consumers to transact in the pandemic environment. Boost has also created new revenue streams by taking on commissions from merchants, as a result of the market recognising the high utilisation of e-wallets among the population. Achievements by Boost to date signify that we are on the path towards hitting a critical mass, for the business to capture a larger share of the market, without the need to increase costs significantly.

Coupled with the fact that there are low levels of non-performing loans at less than 2%, the digital micro-financing business model has shown resilience during challenging economic times. Overall, for our DFS arm, the scale of transactions that have been achieved in terms of user base and merchant activity for both Boost and Aspirasi place us right on track towards breaking even by 2022.

Strengthened by the RM294.0 million (USD70.0 million) injection from our strategic investor Great Eastern in 2020, we continue to level up our DFS game, leveraging on emerging technologies as well as our capabilities in analytics to develop distinct financial and insurance innovations for consumers, as we continue on our journey to narrow the financial inclusion and protection gap in our country and across the region.

These achievements provide strong impetus to propel Axiata's pursuit of a digital bank license in Malaysia. A commercial bank partner and business plan will be revealed in due course to demonstrate our proposition, centred on bundling various aspects of our Boost and Aspirasi businesses. Having a digital bank under the Group's banner enables Axiata to take in deposits and help customers access new services and innovations. At the same time, it will further our digital inclusion aspirations, particularly in serving the unbanked and underserved segments. Our Malaysia experience will place us in good stead to explore similar digital banking opportunities in the Indonesia and Bangladesh markets, which have large populations with high digitalisation and digital service penetration rates.

Micro-financing and Micro-Insurance Services



Aspirasi is proving to be a good platform for Great Eastern to distribute insurance products



Aspirasi, which was established to serve the micro-financing and micro-insurance needs of micro-SMEs, has strategically pivoted its business in 2020 to co-create insurance packages with Great Eastern, catering to demand from both consumers and microenterprises. The healthy uptake of these differentiated products enabled Aspirasi to reposition some of its products by mid-2020 in line with strategies to drive future growth. Aspirasi is proving to be a good platform for Great Eastern to distribute insurance products, thus adding to market recognition of its strong investment proposition.

Digital Bank



- Enables:
- ▶ deposits
 - ▶ helping customers access new services
 - ▶ innovations

DFS

in terms of user base and merchant activity for both Boost and Aspirasi
on track to break even by 2022



In Conversation With The President & Group Chief Executive Officer

Given the heightened push towards digitalisation, are Axiata's Digital Businesses ready for greater value creation? (cont'd)

Digital Analytics and AI Services



Over to our strengths at ADA. Starting out in 2018 as a data-driven digital advertising arm, it has evolved to become a Digital Analytics and AI business that designs and executes integrated digital, analytics and marketing solutions – one of the largest in the Asia Pacific region, operating across nine markets in South and Southeast Asia.

ADA has scaled its top-line and bottom-line in the last three years from single service (digital marketing) to multiple services (data insights, AI services, Marketing Technology, e-Commerce). Moving forward to achieve its unicorn status with a RM4.0 billion (USD1.0 billion) valuation, ADA's key drivers will be centred on:



Automation in marketing
Machine learning for planning, placement and ad spend using data and insights



Digitisation of distribution channels
Shift from offline to online channels for user acquisition in every sector, especially for e-Commerce enablement solutions



Content at 10x the volume
Automation of creative and content generation for brands, delivering data-driven content at 10x the volume



Convergence of media, content and analytics
Disrupting the traditional agency value pods with data and AI

8. Is edotco's potential listing still on the cards?

Although edotco is ready for an IPO¹, we are in no rush to list the company. We believe the best approach is to continue to drive organic and inorganic growth by taking advantage of its low gearing levels which offer much headroom for further borrowings. Given that edotco is in a sweet spot due to the resilient nature of its business, it makes good sense at this juncture to bring in strategic partners to inject fresh capital. We are currently evaluating the interest demonstrated by potential investors.

Axiata has very ambitious plans for edotco and we have focused our energies to drive its growth to become The Next Generation TowerCo, as well as one of the Top 5 Global Tower Companies by 2024. Operational Excellence has always been a core proposition at edotco, as an important means to achieve the lowest cost of capex and opex per site. edotco has been rolling out various innovations that drive down costs whilst at the same time ensuring efficient and productive operations. These include new tower structures, embedding automation within its ground operations and creating a standardised platform and simplified processes. edotco's proprietary Network and Planning Analytics (NaPA) was acknowledged at the Malaysia Technology Awards 2020 for its ability to provide insights of potential locations for new tower sites and reduce build time. As a testament to its ability in the infrastructure and technology space, edotco was named the 2020 Asia Pacific Telecoms Tower Company of the Year by Frost & Sullivan for the fourth consecutive year.

Towards Becoming the Top 5 Global TowerCo

Current regional footprint



Malaysia



Sri Lanka



Cambodia



Pakistan



Laos



Philippines



Myanmar



Bangladesh

Eyeing growth within ASEAN and South Asia

As at end 2020:

22,329 owned towers
11,258 managed towers



Plan to grow portfolio to a total of 70,000 towers to become among the Top 5 Global TowerCos:

Organic growth
10,000 towers

Inorganic growth
40,000 towers



Towards Becoming The Next Generation TowerCo

Aspiration

Leveraging on data analytics as a competitive differentiator to drive growth in the 5G era



Transforming from a passive hardware-defined network to a software defined network



Updates

In the process of establishing Centre of Excellence for data management, decision driven analysis and reporting, as well as predictive analytics



Exploring areas such as Private Network, Edge Computing, Antenna as a Service, and Network as a Service



Note: ¹ IPO = Initial Public Offering

In Conversation With The President & Group Chief Executive Officer

9. How does the recently proposed Celcom-Digi merger strengthen Axiata's proposition for value creation?

Axiata has been consistently advocating the importance of industry consolidation in order to achieve a sustainable industry structure that will benefit both telco players and customers. The proposed merger is an extremely focused transaction that dovetails neatly with our Axiata 5.0 strategy which features industry consolidation as one of the 10 Key Focus Areas. We have made no secret of the fact that we welcome consolidation opportunities both in Malaysia and Indonesia, and the merger will enable the Group to unlock the value illumination of Celcom, in line with another Axiata 5.0 strategy's Key Focus Area.

Over the past two years, competition in the telco sector has ramped up to the point that we find ourselves operating in a hyper-competitive environment with both telcos and MVNOs aggressively vying for mobile subscriber share in an already saturated market. In Malaysia, mobile market penetration is currently at 139% of the population. Long-term structural headwinds dominate the sectoral outlook, with slower growth, increased operating costs and lower profits expected in the future. Even as the price of products and services continue down a slippery slope, capex – especially on network, quality coverage and advanced technology – continues to rise steeply. Against that, data traffic has doubled every year pre-COVID with expectations that it will continue to accelerate even faster in the new norm, thus intensifying data monetisation challenges resulting from low price compared against high cost.

In the near-term future, capex pressures in Malaysia will be influenced by the JENDELA initiative which aims to speed up the roll out of the country's 5G network by requiring telcos to sunset 3G networks and migrate to 4G according to the deadline set. Capex will also be determined by the accelerated 5G roll out in Malaysia, the costs of which will reportedly be borne by the private sector despite the 5G spectrum being owned by the 5G SPV that has been set up, namely Digital Nasional Berhad. The total investment estimated by the Government to develop the 5G network is around RM15 billion.

There is no doubt in our minds that for Axiata to remain ahead of the curve, it is imperative for us to strengthen the foundation to offer continuous high-quality broadband, improve 4G connectivity and support the acceleration of 5G roll out as well as contribute to national ambitions for a Digital Society. There are fresh opportunities for us to capture as a result of JENDELA, MyDIGITAL and the advent of the 5G era in the country. Adding to that, promising new

normal growth abound in the areas of Home broadband, and Enterprise connectivity and solutions. The challenges we foresee coupled with the opportunities on the horizon are the driving force behind the merger, which seeks to create a truly resilient and future-proofed entity that captures the significant value that could be created from synergy realisations between Celcom and Digi.

Value Created from the Proposed Merger

The proposed merged company, Celcom Digi Berhad, is well placed to create and capture value by leveraging on combined competitive scale, competencies and vast experience; stronger

integrated and cost-efficient networks; and overall efficient and leaner operations. The following form the key pockets of value we foresee:

Reigniting Mobile Revenue Growth

- ▶ Utilising the Dual Brand Strategy to effectively target different segments through cross-selling and up-selling
- ▶ Improved cost structure will allow for better product pricing



Strengthening Core Distribution

- ▶ Opportunity for reduction in distribution cost
- ▶ These include areas such as overlapping store locations, among others



Driving Operational Excellence

- ▶ Capitalising on Axiata's and Telenor's processes to accelerate operational efficiency and digitisation
- ▶ Deriving opex savings from integrating business operations such as IT, sales and marketing



Accelerating Home/Convergence Play

- ▶ Leverage on improved financial capabilities to aggressively grow the segment



Re-Engineering Network Operations

- ▶ Provide best-in-class network by reducing duplication and improving network operations
- ▶ Extracting procurement synergies, and leveraging on Axiata's and Telenor's scale and capabilities



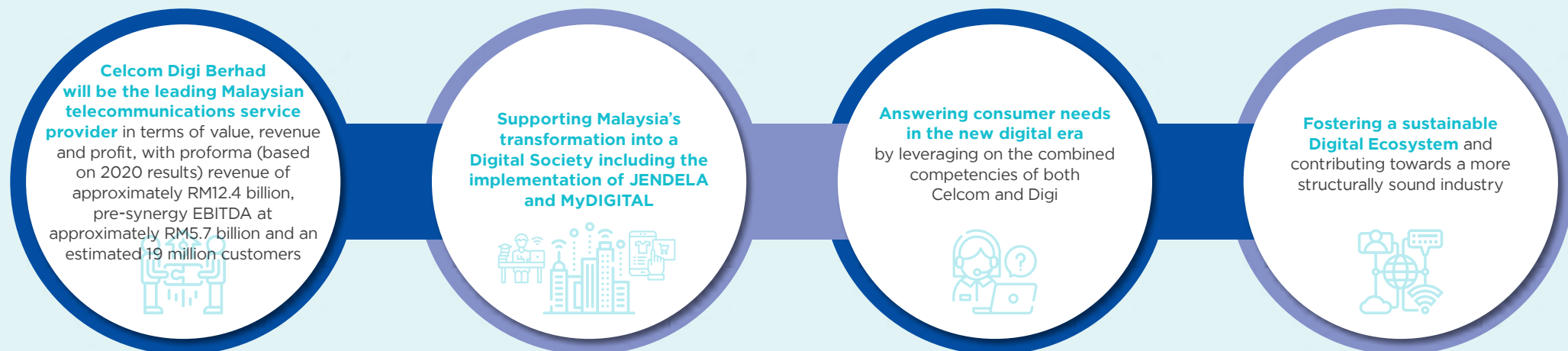
Both Axiata and Telenor are working towards finalising agreements within the second quarter of 2021 following due diligence.

In Conversation With The President & Group Chief Executive Officer

How does the recently proposed Celcom-Digi merger strengthen Axiata's proposition for value creation? (cont'd)

Supporting the Nation, Consumer and Industry

Set to become one of the top five largest companies on Bursa Malaysia with a potential value of over RM50 billion, the entity is in a sweet spot to contribute to the nation, consumer and industry.



10. What is the outlook for moving forward?

Moving forward, our robust financial and structural fundamentals will bolster our defences against current and future uncertainties, as we continue to capture emerging growth opportunities, accelerated digital transformation and continue to invest in cutting edge network infrastructure and deliver on the high dividend expectations of our shareholders. We are hence clear in focus, as well as confident, with respect to our short-, medium- and long-term strategies and outcomes:

Short Term

- ▶ Maintain a tightly calibrated approach to business in 2021 given that ongoing global vaccination efforts could stabilise the crisis, although operating markets will require time to regain economic momentum
- ▶ Industry challenges such as network capacity demand, consumer relief imperatives and ongoing regulatory uncertainties will continue
- ▶ Axiata's guidance for 2021 of low single-digit revenue and EBITDA growth reflects our measured sentiment
- ▶ Axiata has allocated a capex of RM6.5 billion to support our growth and future readiness. Moving forward, there are also external dynamics we need to consider in determining our capex such as:
 - Malaysia - impacts of JENDELA, 5G SPV and the early 3G shutdown
 - Indonesia - Indonesian market dynamics resulting from the potential in market consolidation
 - The impact of the spectrum announcement in Nepal made in April 2021
- ▶ Axiata's investment strategy remains aligned to the principle of investing where there is market demand or growth opportunity subject to a favourable regulatory and enabling environment. We expect to continue our investment thrust in Indonesia with an emphasis on regions outside Java (ex-Java), and similarly in regions beyond Comilla, Chittagong and Dhaka (non-CCD) in Bangladesh

In Conversation With The President & Group Chief Executive Officer

What is the outlook for moving forward? (cont'd)

Medium Term

- ▶ Axiata is committed to establishing a framework for 5G Leadership in each of its operating markets, placing each of its Digital Telcos at the forefront of the 4th Industrial Revolution
- ▶ Our Infrastructure business will continue to see expansion opportunities – in-market as well as with respect to new territories as we accelerate towards our vision of establishing one of the world's largest and most efficient Infrastructure companies
- ▶ We will continue to grow our digital business in partnership with regional and global leaders, so as to bring to fruition our innovation and business creation efforts over the past years
- ▶ We will also continue to seek market consolidation opportunities across our territories
- ▶ We are confident that the medium-term will see Axiata consolidate its position as a significant and competitive player in the Home and Enterprise segments across our markets
- ▶ Evolving norms will continue to reshape our ways of working and will demand new competencies in terms of digitisation and automation, process efficiencies, work behaviours and agility
- ▶ Axiata's human capital management proposition is centred on deepening our empathy and appreciation for our diverse regional talent base
- ▶ We are refining the alignment of our human capital strategies to Axiata 5.0, and at the same time curating our culture to nurture a future ready organisation that embraces and embodies our Core Values of UI.EP whilst putting into practice an effective risk and compliance framework
- ▶ We will remain committed to building a sustainable workforce skilled with Enterprise, functional and digital knowledge, empowered with clear career management pathways and fuelled by a conducive work environment especially in the new normal
- ▶ We will place high priority on our Women of Axiata and Male Allies initiative that was established in March 2021 – an initiative which epitomises our conviction in celebrating diversity, equity and inclusion

Long Term

- ▶ We believe our short- and medium-term strategies, combined requisite agility and responsiveness to market opportunities and dynamics will accelerate our journey towards the achievement of our fundamental Investor Proposition of a High Dividend Paying, Next Generation Digital Champion
- ▶ We remain committed to our Axiata 5.0 (2024) revenue targets
 - Group revenue > RM30 billion
 - edotco revenue > RM5 billion
 - Enterprise business to contribute 20% of total revenue
 - Mobile revenue comprising 80% of Group revenue
- ▶ We will continue to prioritise cash and profitability
- ▶ We will be relentless in our focus on Group synergies and Operational Excellence, to become the lowest cost producer of data and deliver on our customer promise in all our respective markets

Achieving these targets will feed into Axiata repositioning itself as a High Dividend Company, while creating long-term value for our shareholders. We draw confidence from our historical performance. Our investor proposition of “Moderate Dividend combined with Sustainable Growth” was delivered through the deployment of a portfolio of calibrated strategies – both organic and inorganic. Pivoting on this robust foundation, we have now shifted our gear to transforming into a High Dividend Company. We are confident that we will be able to raise our dividend payout to 20 sen per share by 2024, effectively translating to RM1.8 billion in cash payout for a capital base of 9 billion shares.

In addition to creating financial value for shareholders, we continue to bolster our efforts geared towards generating meaningful value for the communities we serve through our Environmental, Social and Governance (ESG) initiatives. I invite you to delve into the details of our Sustainability and National Contribution Report 2020 in which we share our ESG aspirations and achievements in greater detail.

Appreciation

On behalf of the entire Axiata family, I would like to take this opportunity to record our deepest, boundless gratitude and appreciation to our former President & Group Chief Executive Officer Tan Sri Jamaludin Ibrahim, who retired on 31 December 2020. Tan Sri Jamaludin has spent the past 12 years building Axiata from ground up into the formidable Malaysian based regional telco it is today, with a diverse and talented base of employees across our footprint committed to our values of UI.EP.

During the past year, he has been gracious in sharing his insights and perspectives on the business with me, as we worked hand in hand to effect a seamless and smooth leadership transition. Thank you, Tan Sri, from the bottom of our hearts, and we wish you all the best with your future journey.

I would also like to thank the Board of Directors of Axiata and the Group's key shareholders for placing your “amanah” (or trust) and confidence in me to lead as the President & Group Chief Executive Officer.

Gratitude is also in order for all our stakeholders in the respective governments as well as business partners and agencies who have closely collaborated with Team Axiata to keep our momentum steady across our regional footprint.

We remain confident, that despite the uncertainties that lie ahead, we will continue to build on our fundamentals to continue engendering growth, whilst we preserve and create value towards a sustainable future.

DATO' IZZADDIN IDRIS
President & Group Chief Executive Officer

Yasmin Rose
Binti Isahak @ Azmi
Social Media, Associate
Axiata Digital

Conducting business
with integrity and ethics.

#ItBeginsWithUs



**REALISING
OUR VISION**

Considering What Matters

These Are Our Material Matters

▶ **In 2020, we reviewed our material matters through a refreshed materiality assessment, to gain deeper insight and understanding into key areas of concern for stakeholders. The assessment also took into consideration the impacts of the COVID-19 pandemic which added a new layer of complexity to our business.**

The crisis has affected our key stakeholders in different ways, which in turn has influenced our business by varying degrees. To enhance our business responses, we conducted a new stakeholder engagement and materiality assessment exercise that integrated our risk parameters, to evaluate new developments in our key business areas brought on by the new normal socioeconomic and operating conditions.

The exercise reaffirmed our understanding of our risks and opportunities while allowing us to gain a refreshed perspective on how our business can respond to the dynamic changes we are currently experiencing. Through this assessment, we have succeeded in reinforcing sustainable and integrated thinking across the Group. As a result of our refreshed materiality assessment, we observed a few shifts in stakeholder issues and perceptions. In addition to areas that had increased in priority, new areas were identified and included in the Group's ESG material matters.

Increased in Priority

- ▶ Climate Action
- ▶ Digital Inclusion
- ▶ Data Privacy
- ▶ Digitisation and Modernisation
- ▶ Supply Chain Management

New Inclusions for ESG Material Matters

- ▶ Employee Health, Safety and Wellbeing
- ▶ Emergency and Disaster Response
- ▶ Resource and Waste Management
- ▶ Regulatory and Political Risk

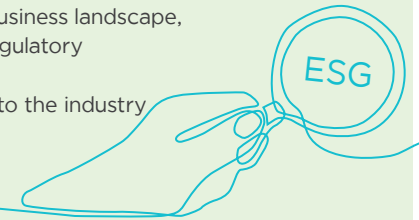
Note: ¹ KPIs = Key Performance Indicators

Our Materiality Assessment Methodology

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

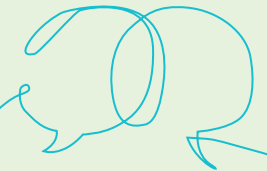
Review of Sustainability Matters

- Reviewed and updated our material sustainability matters in response to changes in our business landscape, risk environment, internal policies, KPIs¹, emerging local and global sustainability trends, regulatory developments and stakeholder opinions
- Conducted a materiality assessment across our peers to benchmark our material matters to the industry



Stakeholder Engagement

- Conducted a structured stakeholder prioritisation exercise by leveraging on insights derived from stakeholder engagements
- Identified the influence and dependence of key stakeholders on the Group
- Engaged with prioritised stakeholders to obtain their feedback on sustainability matters

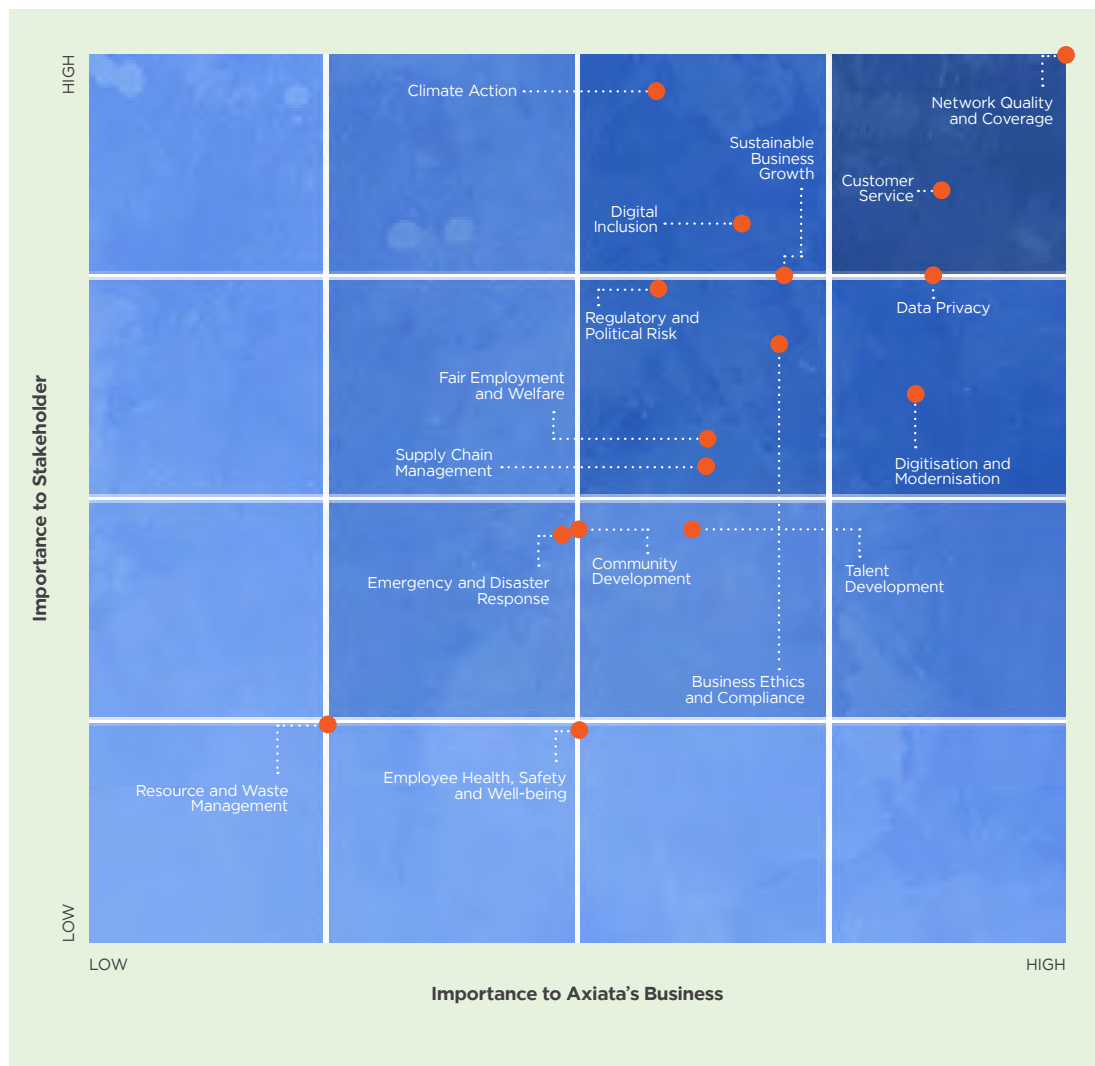


Sustainability Impact Assessment

Conducted a workshop within the Group to further prioritise sustainability matters from the business perspective



Considering What Matters



Material Matters	Descriptions
▶ Network Quality and Coverage	Enhancing network quality and coverage through continuous improvements in efficiency, availability and reliability
▶ Customer Service	Delivering a differentiated user experience for customers, and offering the most affordable products and services relative to customer promise in our highly competitive markets
▶ Data Privacy	Protection of all data, information and intellectual property against cyber security breaches
▶ Digital Inclusion	Providing affordable and innovative products and services in bridging the digital gap
▶ Sustainable Business Growth	Consideration of Economic, Environmental and Social (EES), and positive direct and indirect value creation in our strategic investment decisions to enhance our shareholder returns
▶ Climate Action	Internal controls and monitoring mechanisms to manage environmental impacts
▶ Business Ethics and Compliance	Enhance business integrity compliance within the ambit of Malaysian and international laws on bribery and corruption
▶ Digitisation and Modernisation	Technological innovation to enhance key internal business functions, improve process efficiency and effectiveness, and promote innovation and business continuity
▶ Talent Development	Promote development and uplift competencies of employees to respond to the rapidly changing and complex business environment
▶ Fair Employment and Welfare	Fostering fair recruitment practices by embracing diversity and inclusion in the workforce, and offering employees fair compensation and benefits
▶ Regulatory and Political Risk	Management of evolving changes in the regulatory landscape and political context
▶ Supply Chain Management	Consideration of EES factors across supply chain management and processes
▶ Community Development	Financial and non-financial contributions to support local communities, and underprivileged and underserved groups
▶ Employee Health, Safety and Well-being	Providing for the health, safety and wellbeing of our employees in ways that address key challenges and bring value to their livelihood in the workplace
▶ Emergency and Disaster Response	Providing society in times of emergency and disaster, through the contribution of our business streams to disaster response initiatives
▶ Resource and Waste Management	Aspiring towards the circular economy within our operations as well as the solutions we can provide our customers and supply chain waste management

IAR For more details on:

- Our stakeholder engagements, please refer to pages 33 to 34 in the "Responding To Our Stakeholders" section
- How our material issues are linked to our strategy, please refer to pages 35 to 38 in the "Our Risks Linked to Strategy" section
- Our Sustainability Governance, please refer to page 89 in the "Holding Ourselves Accountable" section

SNCR For more details on:

- Our materiality assessments, please refer to pages 14 to 15 in the "Materiality" section
- Our stakeholder engagements, please refer to pages 17 to 19 in the "Responding To Our Stakeholders" section

Responding To Our Stakeholders

Axiata's commitment to create long-term value for our ecosystem of stakeholders throughout our regional footprint in ASEAN and South Asia, takes into account the feedback we receive from our

continuous engagements with our stakeholders which are conducted through multiple channels. The table below provides highlights of engagement activities and outcomes in 2020:

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

Responding To Our Stakeholders

	Community	Media	Suppliers
<p>Why They Are Important</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>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>Our suppliers provide us business critical products and services that enable us to drive our business strategy. We work in partnership to deliver best value for our operations as well as develop their capabilities and capacity.</p>
<p>How We Engage</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>	<p>We engage with the media through interviews, press releases, conferences and other engagement activities.</p>	<p>We conduct engagement with key suppliers to understand solutions and services that can drive operational excellence. We recognise outstanding suppliers through the Biennial Axiata Supplier Awards, and address opportunities for improvement during performance management and the Annual Supplier Forum.</p>
<p>Matters Raised</p>	<ul style="list-style-type: none"> • Support of the UN SDGs • Building capacity of future leaders • Pre- and post-disaster assistance • Addressing local social needs • Developments in digital connectivity and of the wider digital ecosystem for society at large during pandemic 	<ul style="list-style-type: none"> • Corporate developments • Financial and market performance • Industry trend and issues • Technology breakthroughs • National policy matters 	<ul style="list-style-type: none"> • Performance against Supplier Code of Conduct • Emerging corporate developments and understanding long-term strategy • Opportunities for vendor development • Supplier support and continuity of services during pandemic
<p>Axiata's Response And Results</p>	<ul style="list-style-type: none"> • Digital and Financial Inclusion initiatives covering aspects of digital skills and digital connectivity and inclusivity • Disaster Management and Response initiatives • Developing national talent towards becoming future leaders • Established Digital Innovation Funds in three countries to spur innovation and local entrepreneurship 	<ul style="list-style-type: none"> • Providing regular performance, network and Merger and Acquisition updates • Implementation of the Axiata 5.0 Strategy to advance our digital footprint 	<ul style="list-style-type: none"> • Sourcing local vendors • Supporting the Bumiputera Empowerment Agenda in Malaysia to build local, regional and global champions • Verticalisation of procurement services across the Group to provide scale • Supporting local direct and indirect employment through our supply chain • Value chain discussions for telco industry to operate during pandemic as an essential infrastructure service

An Illustrative Case Study on How We Engaged with Our Suppliers in 2020

Background

- Our relationships with suppliers are key to Axiata's ability to respond to challenges, harness opportunities and generate growth as we confront different business environments across our markets
- Our supplier collaborations which span all our markets of operation are mainly focused on the delivery of innovative digital products and services according to our customers' expectations and needs

The Issue

As a result of COVID-19, the following key issues were identified:

- **Customer service/experience/satisfaction:**
 - Due to travel and movement restrictions, our suppliers had to engage third-party companies to conduct customer experience surveys
 - The feedback from the surveys are critical for Axiata to improve customer experience
- **Digitisation and innovation:**
 - The pandemic has put further pressure on technology providers/suppliers to swiftly devise innovative solutions for internal Group processes as well as products and solutions we offer customers
- **Digital inclusion:**
 - Digital inclusion, especially of those living in remote or rural areas, has become a greater imperative in the post-pandemic world as WFH, online education and e-Commerce/e-banking transactions have become the new norm
 - In line with corporate social responsibility commitments, there is greater pressure to provide low-cost and innovative solutions, as well as digital capability building programmes for underserved communities

Our Response

- Ensuring that our suppliers comply with Axiata's Code of Conduct, in line with international and local laws, as well as regulations that govern consumer protection and rights
- Conducting annual supplier engagements and programmes in line with social distancing/movement restriction requirements, with the most recent held in early 2021
- Updating our suppliers with new policies, any changes in code of conduct, the Group's objectives and direction on all outstanding matters. This includes engaging with our suppliers on Axiata's sustainability commitments so that they understand our sustainability agenda and aspiration
- Maintaining two-way communications by encouraging our suppliers to also share their own business/sustainability agenda and solutions for further engagement

Our Risks Linked To Strategy

Globally, the COVID-19 crisis has created disruptions to economies and societies at large. Businesses had to manage health crises, employee safety, supply chains, and increased cyber security risks while enabling new ways of working on an unprecedented scale. These developments undoubtedly will have implications on the

long-term risk outlook and preparedness thereof. Axiata has innovated and adapted to rapidly changing circumstances and are placed positively to seize future opportunities. We continue to strengthen and constantly evaluate our risk profile and the risk mitigation strategies to improve our resilience to future shocks.

	Financial Risk	Market Risk	Regulatory Risk
Context	<ul style="list-style-type: none"> Exposure to foreign exchange (forex) currency volatilities across our markets of operation Exposure to funding and cash flow constraints in anticipation of Merger and Acquisition (M&A) activities Challenging COVID-19 operating environment could cause difficulties in meeting financial targets 	<ul style="list-style-type: none"> Operating in emerging markets with challenging macroeconomic and geopolitics Fragmented market structures and high infrastructure costs Rapidly advancing IR 4.0 and telco technologies 	<ul style="list-style-type: none"> Broad range of telco regulations, depending on market maturity Potential increase in tax and levies imposed by the relevant regulatory bodies
Risk Level and Movement	High level Unchanged	High level Unchanged	High level Unchanged
Impact	<ul style="list-style-type: none"> High risk impact Inability to pay shareholder dividends, ensure sustainable growth and continue as an ongoing business concern 	<ul style="list-style-type: none"> High risk impact Failure to meet financial targets will affect profitability and competitive ability, with greater cost leakages 	<ul style="list-style-type: none"> High risk impact Policies and regulations could disrupt business operations, impair returns and long-term growth prospects, as well as limit our flexibility to respond to market conditions, competition and new technologies
Mitigating Actions and Opportunities Arising	<p>Risk Owners: Axiata Treasury Management Centre</p> <ul style="list-style-type: none"> Closely monitoring forex movements and formulates hedging strategies to minimise exposure on foreign loans Monitoring Gross Debt/EBITDA level to ensure it is within the set threshold Revisiting investment/funding plans, reviewing product plans and monitoring OpCo dividend policy Reviewing business structure to identify business leakages and enhance the business model 	<p>Risk Owners: OpCo CEOs</p> <ul style="list-style-type: none"> Aggressive M&A, focusing on industry consolidations in targeted markets Seeking opportunities for telco infrastructure sharing to reduce investment costs Investing in new technologies for the competitive edge Establishing strategies with digital players to meet evolving customer needs and reap higher revenue yield per customer 	<p>Risk Owners: Group Regulatory</p> <ul style="list-style-type: none"> Collaborating with other telco players to present a united voice advocating strict compliance, and fair and transparent policies Active engagements and dialogues with regulatory and government officials to anticipate emerging regulations, and highlight and address concerns of the telco sector, to advocate sustainable regulatory regimes Participating in government consultations and industry events to foster collaboration and knowledge sharing for best industry policies and practices Dedicated Subject Matter Experts to monitor regulatory compliance at Group level and across all OpCos
Key Risk Indicators	<ul style="list-style-type: none"> Composition of local vs foreign currency borrowings across all OpCos Gross Debt/EBITDA level OpCos actual vs budget financial performance 	<ul style="list-style-type: none"> ROIC < WACC Achievement of cost savings target 	<ul style="list-style-type: none"> Regulatory Compliance scorecard Emerging regulatory requirements and government policies that may impact our business Record tax hike/pressures and penalties across all OpCos
Changes from 2019	<ul style="list-style-type: none"> Strengthened the monitoring of internal processes and governance Reviewed business plans to maximise business outputs/profitability whilst enhancing business cost optimisation initiatives 	<ul style="list-style-type: none"> Improved ways of doing business Strategic move towards digitisation and digital markets 	<ul style="list-style-type: none"> Improved regulatory compliance monitoring and insights More agile responses in adopting and adapting to adverse regulatory changes
Risk Category	Financial risk	Strategic risk	Compliance risk
Link to Strategy and Material Matters	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Sustainable Business Growth Emergency Disaster and Response <p>Our Strategic Response</p> <p>1 2 3 9</p>	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Data Privacy Digital Inclusion Sustainable Business Growth Business Ethics and Compliance Regulatory and Political Risk <p>Our Strategic Response</p> <p>2 3 4 9</p>	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Network Quality and Coverage Data Privacy Digital Inclusion Sustainable Business Growth Climate Action Business Ethics and Compliance Digitisation and Modernisation Regulatory and Political Risk Resource and Waste Management <p>Our Strategic Response</p> <p>4 7</p>

Our Risks Linked To Strategy

	Cyber and Data Privacy Risk	Geo-Political Risk	Strategic and Investment Risk
▶ Context	<ul style="list-style-type: none"> Maintaining customer data confidentiality, integrity and system availability Providing protection against cyber security attacks and data privacy breaches Inspiring customer confidence and digital trust as a competitive differentiator 	<ul style="list-style-type: none"> Political instabilities, civil unrest and other social tensions Adverse regulatory changes and uncertainty in policy making 	<ul style="list-style-type: none"> Industry restructuring and rationalisation via market convergence and consolidation Challenges and investment costs of growing the digital and Enterprise business
▶ Risk Level and Movement	Medium High level Unchanged	High level Unchanged	High level Unchanged
▶ Impact	<ul style="list-style-type: none"> Service interruption resulting in loss of service confidence and market share Business disruption, and exposure to penalties for breach/leakage of confidential information and non-compliance of regulatory requirements such as the Data Protection Act Compromising customers' confidence may lead to business loss 	<ul style="list-style-type: none"> High risk impact Disruption of business operations, with negative market sentiment eroding investor confidence in the longer term 	<ul style="list-style-type: none"> High risk impact Sustainable business growth
▶ Mitigating Actions and Opportunities Arising	<p>Risk Owners: Group Risk and Compliance Management Committee</p> <ul style="list-style-type: none"> Maturing cyber security and data privacy across all OpCos against global benchmarks and best practices by adopting and aligning to internationally recognised standards such as the NIST¹ Framework, AICPA/CICA² and CMMI³ Privacy Maturity models Establishing a long-term Data Privacy and Cyber Security Strategy Framework and Roadmap, ensuring alignment and standardisation across all OpCos to meet strategic objectives Embedding Cyber Security and Data Privacy controls by design across all business facets by incorporating the related standards and requirements in: <ul style="list-style-type: none"> Protecting our hardware and software Improving Training and Awareness Reducing Third-party risk through the Supplier Code of Conduct and contract clauses Periodic automated assessments and remediation to identify gaps Incorporating Cyber Security and Data Privacy performance into OpCos KPI scorecards 	<p>Risk Owners: OpCo Management, Group Regulatory</p> <ul style="list-style-type: none"> Closely collaborate with OpCos to track market geo-political developments, and tap into their local expertise, familiarity and connections to assess changing scenarios Maintain a neutral stance and foster healthy government relations across all markets Contribute to national socioeconomic development through various CSR programmes 	<p>Risk Owners: Mergers and Acquisitions Committee, Group Corporate Development</p> <ul style="list-style-type: none"> Active M&A activities balanced by robust due diligence to evaluate, manage and anticipate potential risks and challenges Post-acquisition transitional teams to ensure alignment and adoption of Axiata's organisational, operational and cultural values Seeking opportunities for infrastructure sharing to manage cost whilst maintaining strategic alliances Closely monitoring the market landscape to anticipate other developments that may heighten competition
▶ Key Risk Indicators	<ul style="list-style-type: none"> Monitoring cyber-attacks/breach/incidents and their impacts on business operations Maturity level assessment defined in the Cyber Security and Data Privacy Framework across all OpCos 	<ul style="list-style-type: none"> General elections and key geo-political events that may give rise to political instability and civil unrest 	<ul style="list-style-type: none"> ROIC < WACC
▶ Changes from 2019	<ul style="list-style-type: none"> Expansion of scope of processes and internal controls Improvement of controls Use of automation for scale and repeatability 	<ul style="list-style-type: none"> Improved monitoring processes of key geopolitical events, and anticipating emerging risks 	<ul style="list-style-type: none"> Improved due diligence exercise with the increased importance of non-quantitative factors, especially anti-bribery and anti-corruption compliance and due diligence
▶ Risk Category	Operational risk	Strategic risk	Strategic risk
▶ Link to Strategy and Material Matters	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Data Privacy Sustainable Business Growth Business Ethics and Compliance Regulatory and Political Risk <p>Our Strategic Response</p> <p>2 3 4 7</p>	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Sustainable Business Growth Business Ethics and Compliance Talent Development Fair Employment and Welfare Regulatory and Political Risk Community Development <p>Our Strategic Response</p> <p>1 3 7 8</p>	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Digital Inclusion Sustainable Business Growth Digitisation and Modernisation Talent Development Supply Chain Management <p>Our Strategic Response</p> <p>1 3 6 7 8 9 10</p>

Notes: ¹ NIST = National Institute of Standards and Technology ² AICPA = American Institute of Certified Public Accountants; CICA = Canadian Institute of Chartered Accountants ³ CMMI = Capability Maturity Model Integration

Our Risks Linked To Strategy

	People Risk	Technology Risk	Governance and Integrity Risk
▶ Context	<ul style="list-style-type: none"> Increasing demand for digital and compliance-based talents Loss of key talents remains a pressing concern Health and safety of all employees are a key priority, largely due to COVID-19 	<ul style="list-style-type: none"> Continuous investments in new technologies, upgrades and equipment Rapid technological advances may result in premature obsolescence of key technology and equipment before their end life cycle 	<ul style="list-style-type: none"> Ensuring high ethical standards and good corporate governance Section 17A of the MACC Act came into effect in June 2020 and has taken centre stage in corporate governance focus Heightened investor focus on ESG⁵ risks
▶ Risk Level and Movement	Medium to Medium High level Raised in 2020	Medium level Unchanged	Medium level Unchanged
▶ Impact	<ul style="list-style-type: none"> High risk impact Business disruption 	<ul style="list-style-type: none"> High risk impact Business disruption 	<ul style="list-style-type: none"> High risk impact Loss of investors' confidence Potential material penalties in the event of breach/non-compliance with the MACC Act related to ABAC⁶
▶ Mitigating Actions and Opportunities Arising	<p>Risk Owners: Group People Division</p> <ul style="list-style-type: none"> Active talent hiring agenda and robust talent development programmes Competitive salary packages benchmarked against peers, attractive performance-based rewards and a positive working environment Imposing stringent working protocols and SOPs⁴ for Work-In-Office and Work-From-Home arrangements to combat COVID-19 Enhancing the AxiataCares programme at Group and OpCo levels 	<p>Risk Owners: Group Technology</p> <ul style="list-style-type: none"> Constantly reviewing and refreshing our technology to remain relevant whilst maintaining financial prudence Future-proofing is a critical criterion in network equipment selection and built into the procurement process Increasing digitisation and automation efforts to ensure optimum technology utilisation Proactively conducting studies on technological advancements, especially in 5G, while charting future network strategy Monitoring the implementation of various systems and applications across all divisions and seeking opportunities for consolidation and synergies 	<p>Risk Owners: Group Risk and Compliance, Group Human Resource, Group Sustainability</p> <ul style="list-style-type: none"> Axiata's Code of Conduct guides personnel conducting business for/ on behalf of the Group Implementation of Group-wide Corporate Compliance Programme to build strong governance in conformance to the T.R.U.S.T. principles defined in the Guidelines On Adequate Procedures issued by the Prime Minister's Department, and strengthening Axiata's compliance maturity Establishment of a strong governance structure with the BRCC and the Risk and Compliance Management Committee Appointment of a Group Chief Risk and Compliance Officer reporting to the BRCC and setting up the Compliance function at Group and OpCo levels Establishing the Sustainability Steering Committee and developing the sustainability agenda, ensuring Group-wide efforts towards common goals
▶ Key Risk Indicators	<ul style="list-style-type: none"> Turnover rate Employee engagement survey 	<ul style="list-style-type: none"> ROIC < WACC Digitisation and automation across all functions 	<ul style="list-style-type: none"> Non-compliance/breach cases/deviation from Group's governance instruments Bribery and corruption charges that may lead to corporate liability charges Regulatory fines
▶ Changes from 2019	<ul style="list-style-type: none"> Improved employee wellbeing programme Tightened SOPs and daily tracking of employees' health declaration Enhanced AxiataCares programme 	<ul style="list-style-type: none"> Improved processes and internal control 	<ul style="list-style-type: none"> Improving the governance structure, process and culture, especially in the area of Anti-Bribery and Anti-Corruption compliance
▶ Risk Category	Operational risk	Operational risk	Compliance risk
▶ Link to Strategy and Material Matters	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Talent Development Fair Employment and Welfare Employee Health, Safety and Wellbeing <p>Our Strategic Response</p> <p>3 4 7 8</p>	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Network Quality and Coverage Digital Inclusion Digitisation and Modernisation Supply Chain Management Community Development <p>Our Strategic Response</p> <p>2 3 4 5 6</p>	<p>Link to Material Issues</p> <ul style="list-style-type: none"> Data Privacy Sustainable Business Growth Climate Action Business Ethics and Compliance Regulatory and Political Risk Resource and Waste Management <p>Our Strategic Response</p> <p>3 7 8</p>

Notes: ⁴ SOP = Standard Operating Procedures ⁵ ESG = Environmental, Social and Governance

Our Risks Linked To Strategy

Operational Risk	
<p>▶ Context</p> <ul style="list-style-type: none"> Complex end-to-end telco business with three distinct business segments of Digital Telcos, Digital Businesses and Infrastructure Supply chain disruptions due to global lockdowns imposed as a result of the pandemic 	<p>An Illustrative Case Study on How We Identified and Mitigated Against Operational Risks in 2020</p> <p>Managing COVID-19 Impacts to Business Continuity Management</p> <p>▶ The Issue</p> <ul style="list-style-type: none"> In January 2020, COVID-19 was flagged as an emerging risk that could potentially impact Axiata's regional operations, triggering the Group's response to conduct an in-depth risk impact analysis in close collaboration with OpCo ERM teams. The key areas evaluated are financial and operational implications to the business, and employee health and safety <hr/> <p>▶ Our COVID-19 Response Plan</p> <ul style="list-style-type: none"> In February 2020, the results of the risk impact analysis was escalated to the Board Risk and Compliance Committee (BRCC) to ensure close monitoring and reporting of COVID-19 impacts to the Board, as well as Management Following that, potentially affected business functions, such as Finance, Human Resource (HR), Procurement and Technology departments continuously engaged in diagnosing the severity of the issues that may arise from the COVID-19 crisis <hr/> <p>▶ Our Mitigation Response</p> <ul style="list-style-type: none"> To ensure business resilience and maintain our operational continuity, the BRT and BCM Committee put in place mitigation measures within the following six core pillars: <ul style="list-style-type: none"> - Business Impact – guidance on expenses and cost management - Supply Chain – closely engaged with key vendors to ensure minimal supply disruptions - Employee Wellness – instituted a range of new ways of working, and health and safety initiatives - Corporate Social Responsibility – all OpCos provided financial and in kind support to the government and communities of their markets of operation - Technology and Cyber Resilience – took action to ensure continuous and reliable network connectivity - BCM – regular meetings to maintain oversight and awareness of any changes across all markets of operation The six core pillars are also being monitored at the OpCo level, with detailed COVID-19 Risk Scorecards developed Overall aim of mitigation measures: <ul style="list-style-type: none"> - To minimise loss and disruption to the business - Close monitoring allows leading risk indicators to be detected quickly, thus ensuring preparedness in managing the risk and maintaining business resilience - Pool Group-wide efforts to develop cohesive mitigation plans across Axiata's footprint - Provide top management and the Board with sufficient data points to make informed decisions - Faster escalation structure, which bridges the information gap at both Group and OpCo levels <hr/> <p>▶ On The Ground Scenario</p> <ul style="list-style-type: none"> Employee Wellness Pillar – to ensure the physical and mental health and safety of our people, we did the following: <ul style="list-style-type: none"> - Implemented Work-From-Home arrangements - In periods when work from the office was allowed, this was done through split team working arrangements, with heightened control on office hygiene and safety <hr/> <p>▶ What's Next?</p> <ul style="list-style-type: none"> Future focus on enhancing our ability to react swiftly and in a strategic manner by: <ul style="list-style-type: none"> - Anticipating and assessing the materiality risk of COVID-19 within the short, medium and long term, and develop a more sustainable long-term plan Reflecting on lessons learnt from the current crisis to strategise a harmonised Crisis Plan on global crisis management across the Axiata footprint
<p>▶ Risk Level and Movement</p> <p>Medium to Medium High level Raised in 2020</p>	
<p>▶ Impact</p> <ul style="list-style-type: none"> High risk impact Business disruption 	
<p>▶ Mitigating Actions and Opportunities Arising</p> <p>Risk Owners: Group Enterprise Risk Management, Group Technology, Group Procurement</p> <ul style="list-style-type: none"> Monitoring vendor performance, especially for major and high risk vendors Monitoring supply availability, according to current and future needs Exploring alternative vendors to reduce dependencies Establishing clear Business Continuity Management (BCM) plans to address supply chain risks, disruptions, and the business recovery strategy based on multiple crisis simulation scenarios 	
<p>▶ Key Risk Indicators</p> <ul style="list-style-type: none"> Service/supply disruption and business downtime Performance of major and critical vendors 	
<p>▶ Changes from 2019</p> <ul style="list-style-type: none"> Improved supply chain management strategy Strengthened monitoring process to specifically manage COVID-19 impacts and government sanctions imposed on identified high risk vendors 	
<p>▶ Risk Category</p> <p>Operational risk</p>	
<p>▶ Link to Strategy and Material Matters</p> <p>Link to Material Issues</p> <ul style="list-style-type: none"> Network Quality and Coverage Customer Service Data Privacy Digital Inclusion Sustainable Business Growth Digitisation and Modernisation Supply Chain Management Community Development Employee Health, Safety and Wellbeing Emergency Disaster and Response 	
<p>Our Strategic Response</p> <p>3 4 7 8</p>	

Evolving And Adapting Our Strategy To Capture New Normal Growth Opportunities

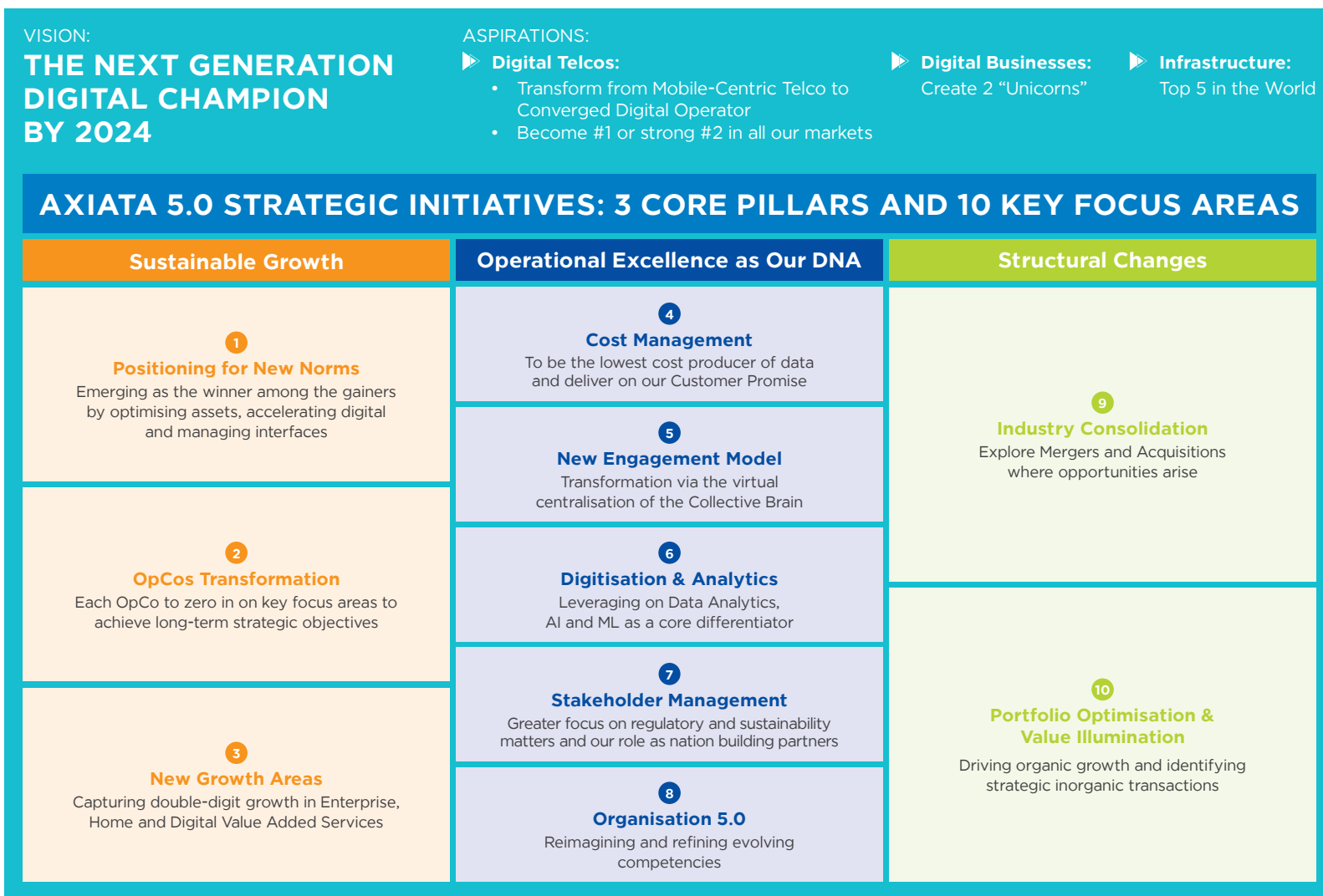
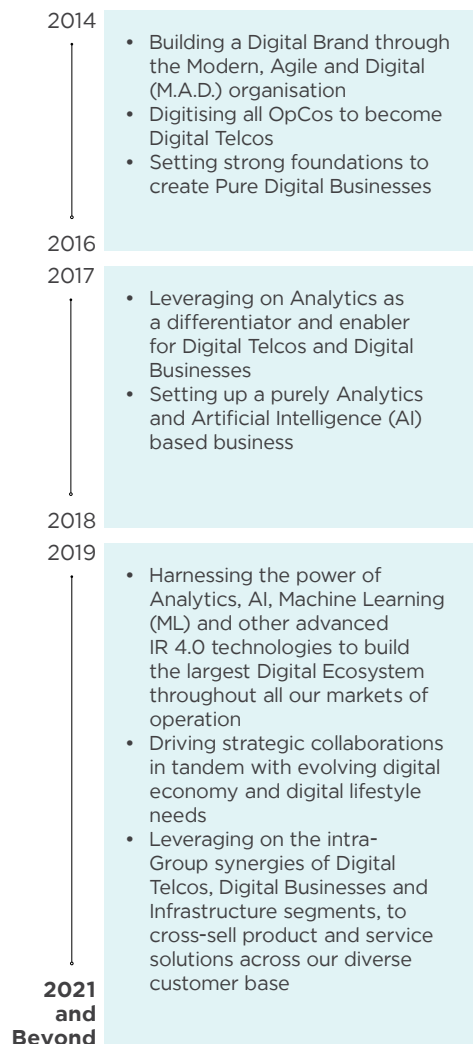
Axiata's efforts to grow our business sustainably over the long term is guided by our vision to become The Next Generation Digital Champion by 2024.

Competencies developed in our long-term value creation journey through our three core businesses have become critical enablers for a hyper-digital world. To paint a picture, the ecosystem we have built leveraging on technological, digital and business acumen has enabled our OpCos to respond steadily in the face of the COVID-19 challenges. As a Group, this puts us on very solid ground to partner societies and businesses as they embrace the transition towards a digital future.

The Axiata 5.0 strategy revealed in our Integrated Annual Report 2019 remains in place, with slight adjustments for new norms, to keep the Group in relentless execution mode towards the realisation of our ambitions.

As our strategy culminates in the realisation of this vision, Axiata has committed to shareholders its intention to transform into a High Dividend Company by 2024.

Evolution of Our Business Strategy



Adapting Our Strategy To Capture New Normal Growth Opportunities

The following outlines key highlights of the Group’s progress in 2020 according to our Three Core Pillars and 10 Key Focus Areas:

► **Our Key Progress**

1 Positioning for New Norms	2 OpCos Transformation	3 New Growth Areas	4 Cost Management	5 New Engagement Model
<ul style="list-style-type: none"> All Digital Telcos gearing for 5G readiness to capture new normal growth opportunities with impending 5G roll outs throughout the region Digital Telcos leveraging on “unlimited data” play via new and innovative products and services that cater to customer needs: <ul style="list-style-type: none"> XL launched Live.On, a fully digital proposition Dialog introduced Worry-Free Data is Hero, Couple Blaster and Dialog Power Plan as flexible data-based packages All Digital Telcos accelerated their transition into Fixed Wireless Access (FWA) and driving growth through converged offerings that respond to the shift to Home as the new centre of gravity Augmented the Enterprise proposition to provide relevant products and services that help businesses with their digital transformation by expanding into the areas of Security as a Service (SaaS) and Platform as a Service (PaaS) 	<ul style="list-style-type: none"> All OpCos tasked with specific transformation agendas to engender growth in their markets - e.g. Celcom focusing on Three-Year Transformation Programme to achieve value illumination and XL Axiata focusing on ex-Java growth and convergence Entered into partnerships with tech and telco players such as Google Cloud, Google Suite, Microsoft and Telefonica, to scale up on Enterprise solutions Transforming the digital business by forming Boost Holdings Sdn Bhd comprising Boost, Aspirasi and Apigate, and setting the stage to acquire a digital bank licence in the near future edotco leveraging on data analytics as a critical competitive differentiator in the 5G era, exploring areas such as Private Network, Edge Computing, Antenna as a Service and Network as a Service 	<ul style="list-style-type: none"> Boost, our e-Wallet and cashless merchant payment solution provider: <ul style="list-style-type: none"> Boost Malaysia had more than 8.8 million users in 2020, while merchant touchpoints increased by 1.8x to 224,000 Boost Indonesia had more than 548,000 merchant touchpoints Boost recorded Gross Transaction Value of RM2.9 billion in Malaysia and RM19.8 million (USD4.9 million) in Indonesia Aspirasi, our micro-financing and micro-insurance solutions provider: <ul style="list-style-type: none"> Launched 15 new insurance products in 2020 Total financing disbursed grew more than 5.4x to above RM207 million Total of 9,176 unique merchants applied for loans in 2020 ADA, our Digital Analytics and Artificial Intelligence (AI) solutions provider: <ul style="list-style-type: none"> Was PAT positive in 2020, recording YoY growth of 7x Net revenue increased by 45% YoY Launched new service lines in Marketing Technology (MarTech) and e-Commerce enablement Apigate, our global digital monetisation and customer growth solution provider: <ul style="list-style-type: none"> Launched new products in the three markets of Malaysia, Indonesia and Bangladesh Enabled more than 100 digital partners and reached approximately 1 billion consumers globally XL and Dialog have developed IoT-based digital solutions: <ul style="list-style-type: none"> XL – Smart Coffee Monitoring and Smart Aquaculture Dialog – SARU app for farmers, i-Moni and Smart Meter solutions 	<ul style="list-style-type: none"> Focused on conserving cash via disciplined cost management and capex efficiency, whilst building a war chest for new normal opportunities Dual-tranche offering in August 2020, comprising the 10-year USD500 million Sukuk and 30-year USD1 billion Notes from a Euro Medium Note Programme, coupled with the Group securing Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities of USD800 million have led to the following outcomes: <ul style="list-style-type: none"> Strengthened Balance Sheet Improved Capital Structure Ensured optimum cost and interest savings Strengthened liquidity position Recorded Operating Free Cash Flow of RM3.3 billion in 2020 Cost Excellence Programme delivered RM1.8 billion of savings in 2020, ahead of savings target of RM5.0 billion by 2021 Identified 10 Key Initiatives under the Collective Brain to optimise cost structure Leveraging on Collective Brain to become a low-cost producer and reduce cost per GB by 35% to less than USD0.10 by 2024 edotco’s Network and Planning Analytics (NaPA) unit has successfully reduced build time and driven down costs 	<ul style="list-style-type: none"> Leveraging on the virtualisation of the Collective Brain to enable OpCos to collectively make decisions towards achieving Group targets, focusing on the areas of technology, Group financial and strategic targets, and OpCo resources Axiata Digital Labs (ADL) deeply engaged in multiple tracks of the Collective Brain to assist OpCos in taking back control from external vendors, retaining Intellectual Patent, reducing cost to serve, and helping build best practices and a software asset library
<ul style="list-style-type: none"> Performance Partnership Planet & Society 	<ul style="list-style-type: none"> Performance People Partnership Planet & Society 	<ul style="list-style-type: none"> Performance People Partnership Planet & Society 	<ul style="list-style-type: none"> Performance 	<ul style="list-style-type: none"> Performance People

► **Link to 4P Goals**

Note: Conversion rates are as of 31 December 2020: USD1 = 4.036000

Adapting Our Strategy To Capture New Normal Growth Opportunities

Our Key Progress

6 Digitisation & Analytics	7 Stakeholder Management	8 Organisation 5.0	9 Industry Consolidation	10 Portfolio Optimisation & Value Illumination
<ul style="list-style-type: none"> Digital Telcos operationalising Axiata's IT Blueprint, supported by ADL Group-wide Digital Transformation Strategy driving Digitisation and Analytics as the core differentiator by leveraging on Data Analytics, AI and Machine Learning (ML) as enablers Prepared for the new normal by ensuring robust IT stacks across the dealer management, trade and distribution management systems, and digitising all sales channel touchpoints as part of the Digital Transformation Strategy ADL has delivered more than 150 digital solutions, 15 innovative products and solutions, and over 50 certified Cloud solutions Leveraged on digitisation and analytics to optimise customer experience via a Shared Chatbot Framework - Dialog and Ncell achieved more than 80% resolution without escalation 	<ul style="list-style-type: none"> The Group's success in securing Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities of USD800 million is testament of Axiata's commitment to ESG and its valuable contributions as an environmentally and socially sustainable business Established the Group-wide Sustainability Steering Committee and embarked on the Climate Action Plan towards achieving Net Zero by 2050 Technology venture funds of ADIF, DADIF, SADIF and r-ventures¹ that contribute to the development of the digital economy throughout our regional markets of operation All OpCos contributed to national and community needs in response to the COVID-19 crisis Digital inclusion apps across our markets of operation to help underserved communities Established Group-wide Anti-Bribery and Anti-Corruption (ABAC) and Gifts, Donations and Sponsorships Policies Published the Group Data Privacy Policy and Cyber Security Advisory for customers to raise their awareness on data privacy and cyber security issues Developing a proactive compliance culture through the Awareness and Behavioural Change Programme (2020 - 2022) Achieved Capability Maturity Model Integration (CMMI) level of 3.5 for National Institute of Standards and Technology (NIST) functions across all OpCos, exceeding the world average 	<ul style="list-style-type: none"> Building strong teams with the right mix of business and technical skills through the Modern, Agile and Digital (M.A.D.) culture initiative Developed over 600 future CXOs² through the Group Accelerated Development Programme and OpCo Accelerated Development Programme LEAP Programme encouraging OpCos to create innovative digitisation initiatives through a friendly internal competition Introduced a knowledge hub as a knowledge sharing platform on specific verticals across all OpCos Launched the Women of Axiata and Male Allies (WAMA) initiative as part of the Group-wide drive to create greater equality, equity, diversity and inclusion Launched five Academies as part of Axiata FastForward - Technology; Customer Experience; Leadership; Ways of Working; Leadership and Finance Formalised the Enterprise Academy as part of Axiata FastForward focusing on building sales and marketing capabilities to reach out to the Enterprise segment Implemented mandatory training for all employees on ABAC, cyber security and data privacy domains, achieving over 90% completion rate Group-wide Successfully upskilled privacy teams across all OpCos by completing an internationally accredited certification training of the Certified Information Privacy Manager programme 	<ul style="list-style-type: none"> Dialog acquired 100% stake in H One (Private) Limited, a Microsoft award-winning tier-one partner, in January 2021 Smart obtained approval to merge Smart Luy with Pi Pay in Cambodia Axiata in advanced discussions with Telenor Asia on the merger of Celcom and Digi.com, with both parties holding equal equity estimated at 33.1% each. The potential merger will combine scale, competencies, finances and vast experiences to generate significant synergistic value for a commercially stronger and more resilient business, to become the largest telco operator in Malaysia 	<ul style="list-style-type: none"> Successfully listed Robi on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in Bangladesh on 24 December 2020, with shares oversubscribed by 5.7x on listing by both retail and institutional investors, making it the largest IPO³ in Bangladesh in the past decade Great Eastern made a strategic investment of USD70.0 million (RM294.0 million) for a 21.88% stake in Boost Holdings, the largest fintech investment in Malaysia
<p>• Performance • Partnership</p>	<p>• Performance • People • Partnership • Planet & Society</p>	<p>• People</p>	<p>• Performance • Partnership</p>	<p>• Performance • Partnership</p>

Link to 4P Goals

Notes: The rate of issuance of shares in RM was USD1 = RM4.2

¹ ADIF = Axiata Digital Innovation Fund; DADIF = Dialog Axiata Digital Innovation Fund; SADIF = Smart Axiata Digital Innovation Fund; r-ventures = Robi Venture ² CXO refers to any Chief Officer roles that report to the CEO ³ IPO = Initial Public Offering

IAR For more details on our strategic activities and outcomes, please refer to pages 42 to 49 in the "Towards Becoming The Next Generation Digital Champion" section, and pages 59 to 78 in the "Delivering Our Strategy" section

SNCR For more details on our sustainability related activities and outcomes that contributed to Axiata's strategic performance, please refer to the SNCR

GAFS For more details on our governance, data privacy and cyber security related activities and outcomes that contributed to Axiata's strategic performance, please refer to the GAFS

Bringing online education and accelerating learning for more than 1.5 million students in Bangladesh.



#ItBeginsWithUs

Robi Axiata 10-Minute School

কেপলারের ২য় সূত্র
একটি নির্দিষ্ট সময়ে অতিক্রান্ত ক্ষেত্রফল ধ্রুবক।

$r^2 \frac{d\theta}{dt} = R^2 \frac{d\theta}{dt} = 0$

Robi 10 MINUTE SCHOOL

**TOWARDS BECOMING
THE NEXT GENERATION
DIGITAL CHAMPION**

Our Value Creation Model



Unfold To See How We Create Value

Axiata utilises input from our six capitals to drive through our strategies in our value creation process. Our efforts lead to output, as well as outcomes and value created in the short, medium and long term for our base of stakeholders. The Group's efforts are also contributing to advancing some of the

UN SDGs. As a result of the nature of the trade-offs and interconnectivity of our six capitals, Axiata's value creation reporting focuses on the key activities that lead to the outcomes aligned with achieving our ambition of becoming The Next Generation Digital Champion by 2024.

Our Six Capitals

Financial Capital



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

Human Capital



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

Intellectual Capital



Our strong brand equity and trust, culture, partnerships, know-how as well as our procedures and processes differentiate us in the marketplace.

Social & Relationship Capital



Continuous and ongoing close engagements with customers, communities, governments and regulators, suppliers, trade unions and industry bodies, among others, are key towards ensuring we maintain strong relationships of trust with our stakeholders.

Manufactured Capital



Our network infrastructures, data centres and software applications are an important source of competitive differentiation. Our Manufactured Capital also includes the office buildings housing our workforce.

Natural Capital

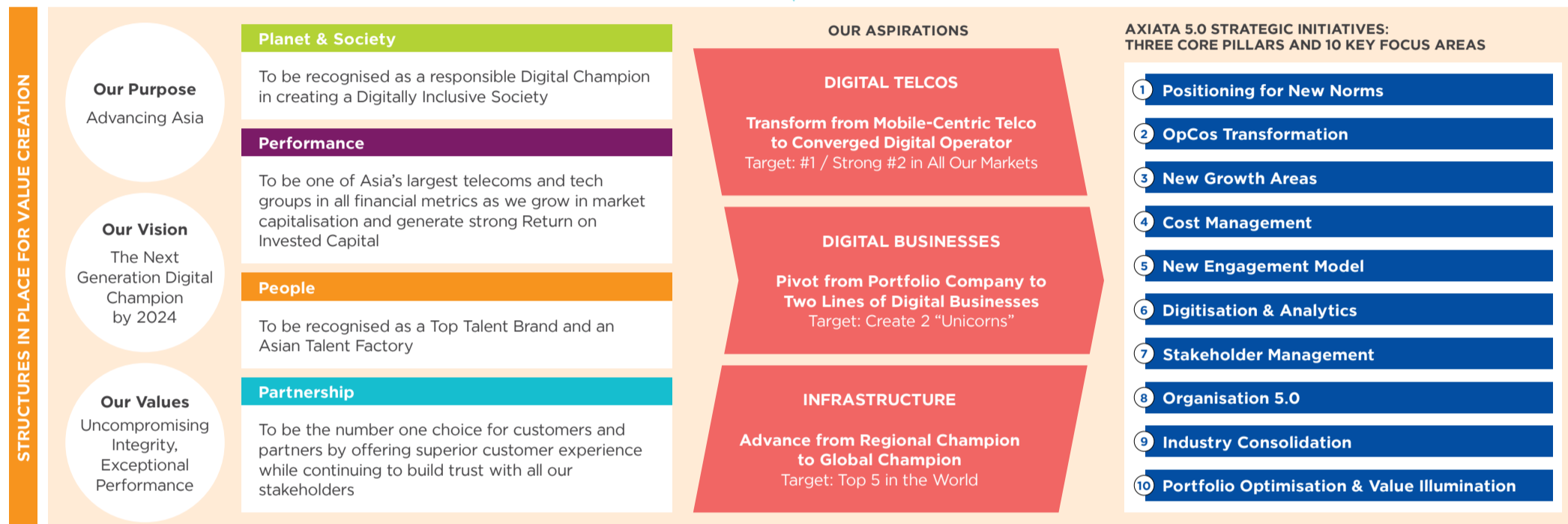


We consume energy in our operations, and use land to house our towers and other infrastructure.



Our Value Creation Model

THE INPUT OUR CAPITALS PROVIDE	Financial <ul style="list-style-type: none"> Market capitalisation of RM34.3 billion as at end 2020 Gross debt/EBITDA ratio of 2.6x Debt Equity Ratio of 1.6x Credit ratings of Baa2 on Moody's and BBB+ on S&P Operating expenses of RM13.5 billion Capital expenditure of RM5.3 billion 	Human <ul style="list-style-type: none"> More than 12,600¹ employees from 42 nationalities across Asia Male : Female employee ratio of 69 : 31 RM190 million spent on talent development since 2009 High percentage of engaged employees 	Intellectual <ul style="list-style-type: none"> Mobile licenses and spectrum allocations throughout our operating markets Investment in digitisation and modernisation initiatives Data privacy, cyber security and information security initiatives 	Social & Relationship <ul style="list-style-type: none"> 2020 Brand Power Results: <ul style="list-style-type: none"> #1 in Malaysia² and Sri Lanka #2 in Bangladesh³, Indonesia⁴, Cambodia and Nepal Industry and community partnerships Customer base of approximately 157 million subscribers 	Manufactured <ul style="list-style-type: none"> 22,329 towers owned by edotco 11,258 towers managed by edotco Group-wide BTS infrastructure⁵ Group capex of RM5.3 billion Group Plant, Property and Equipment (PPE) value of RM24.5 billion Telecommunication network equipment (net book value) of RM20.6 billion edotco tower capex of RM510.2 million edotco PPE value of RM2.43 billion Apigate, our global digital monetisation and customer growth solution provider 	Natural <ul style="list-style-type: none"> Direct energy consumption of 1.5 million GJ Indirect energy consumption of 7.0 million GJ Renewable energy capacity of Total GHG emissions of 1.38 million tCO₂e Energy intensity of 558.8 GJ per million GB (Digital Telco only)
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OUR OUTPUTS AS A BUSINESS	Differentiated connectivity services	Seamless connection	Comprehensive digital platforms for businesses	Data-driven digital advertising	Secure digital financial services	Enterprise solutions/IoT	Reliable network availability	Fibre connectivity	Sustainable network tower solutions	End-to-end tower management services	Adverse Output By-products: GHG emissions
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OUTCOMES WHICH BENEFIT ALL	1. Delivering Long-Term Value to Shareholders <ul style="list-style-type: none"> Maximise shareholder value Sustained long-term business growth and profitability <p>UN SDG: </p> <p>IAR Refer to page 44 for more details</p>	2. Building a Modern, Agile and Digital Asian Talent Factory <ul style="list-style-type: none"> 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 to advance their careers <p>UN SDG: </p> <p>IAR Refer to page 45 for more details</p>	3. Becoming a Trusted and Reliable Digital Partner <ul style="list-style-type: none"> Provide excellent customer experience across our footprint Establish strong brand equity and trust Digital platforms to cater to customer needs for innovative digital products and services <p>UN SDG: </p> <p>IAR Refer to page 46 for more details</p>	4. Supporting Governments and Communities in Our Markets <ul style="list-style-type: none"> Contribute to the socioeconomic development of the countries we operate in through national contributions and social responsibility initiatives <p>UN SDG: </p> <p>IAR Refer to page 47 for more details</p>	5. Enabling Digitally-Connected Societies <ul style="list-style-type: none"> Increase population coverage and connect underserved areas Aid digital and financial inclusion <p>UN SDG: </p> <p>IAR Refer to page 48 for more details</p>	6. Minimising Environmental Impact <ul style="list-style-type: none"> Focused carbon reduction strategy Optimise energy consumption through design innovations and renewable energy sources <p>UN SDG: </p> <p>IAR Refer to page 49 for more details</p>
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TRADE-OFFS	<ul style="list-style-type: none"> In the short term, expanding and modernising our networks will increase our base of Manufactured Capital, but reduce our Financial Capital. However in the long term, these investments expand our business' capacities, and therefore grow our Financial Capital Investments in Intellectual Capital reduces our Financial Capital in the short term. However in the long term, it leads to increasing the value of our Human, Financial, and Social & Relationship Capital 	<ul style="list-style-type: none"> Our Social & Relationship Capital investments reduces our Financial Capital in the short term. However in the long term, our efforts to bridge the digital divide and foster regional socioeconomic development augments the value of our Social & Relationship, Human, Intellectual and Financial Capitals Our Manufactured Capital base negatively impacts upon our Natural Capital. However, through concerted efforts to reduce our carbon footprint, we are able to mitigate our business impact on our Natural Capital
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Notes: ¹ Includes edotco Group and Axiata Digital employees
² Includes Xpax
³ Includes Airtel
⁴ Includes Axis
⁵ As at 31 December 2020

IAR For more details on:
 - OpCos' BTS numbers, please refer to pages 61 to 71 in the "Delivering Our Strategy" section
 - The 10 Key Focus Areas, please refer to page 39 in the "Realising Our Vision" section

1. Delivering Long-Term Value To Shareholders

Related Key Capitals: **Financial, Social & Relationship** | Link to 4P Goals: **Performance**

Outcomes And Value Created

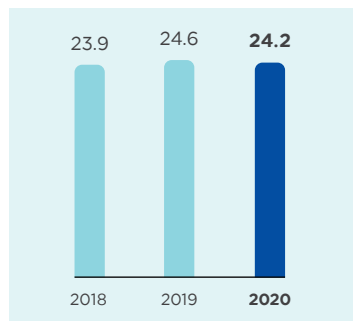
- ▶ **Maximise shareholder value by maintaining sustainable dividend payout**
- ▶ **Sustain long-term business growth and profitability by ensuring financial resilience**

Activities and Processes to Create Value

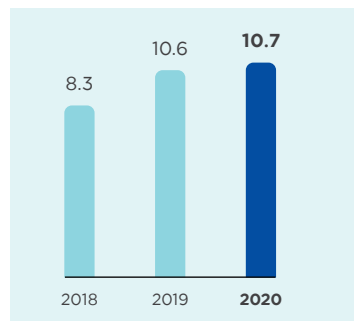
- ▶ In a challenging environment, focused on margin improvement to generate cash in line with the Group's shift to becoming a High Dividend Company
- ▶ Focused on conserving cash via disciplined cost management and capex efficiency, whilst building a war chest for new norm opportunities
- ▶ Maintained Operational Excellence to continue building a sustainable cost structure
- ▶ Cost Excellence Programme delivered RM1.8 billion of savings in 2020 in both opex and capex, exceeding total savings target of RM5.0 billion by 2021 ahead of time
- ▶ Optimisation of spectrum for 4G demand, data uptake from the accelerated depreciation and write-off of 3G assets amounting to RM1.1 billion, resulting in PATAMI impact of RM604.3 million
- ▶ Accelerated digital adoption in OpCos due to COVID-19 new norms
- ▶ Dual-tranche offering in August 2020, comprising the 10-year USD500 million Sukuk and 30-year USD1 billion Notes from a Euro Medium Note Programme, as well as the Group securing Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities of USD800 million has resulted in:
 - Strengthened balance sheet
 - Improved capital structure
- Ensured optimum cost and interest savings
- Strengthened liquidity position
- ▶ Successfully listed Robi on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in Bangladesh on 24 December 2020
- ▶ Given the uncertainty surrounding the depth and duration of the pandemic and the difficulty in predicting the pace of recovery, the Group withdrew its guidance on previous Headline KPIs on 21 May 2020
- ▶ Foregone revenue due to free data and bonus recharge by some OpCos in countries such as Malaysia, Indonesia, Cambodia, Sri Lanka, Bangladesh and Nepal

Performance Indicators

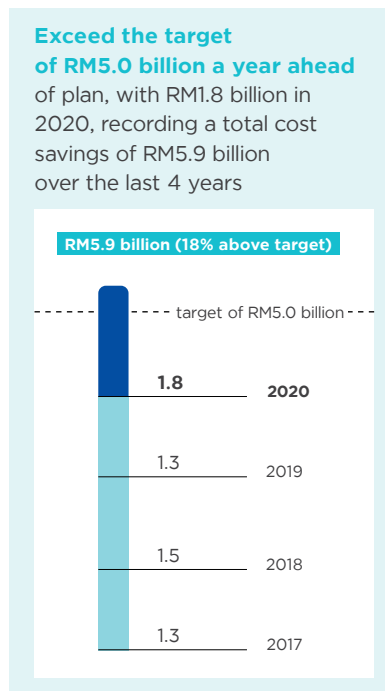
Revenue (RM Billion)



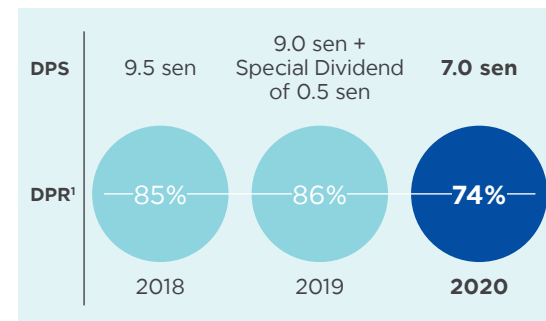
EBITDA (RM Billion)



Cost Savings (RM Billion)



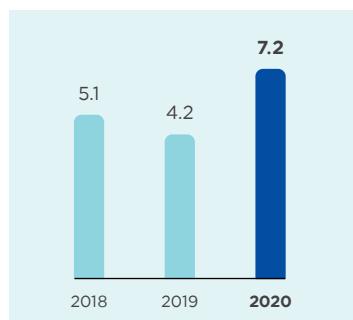
Dividend Per Share (DPS)/Dividend Payout Ratio (DPR)



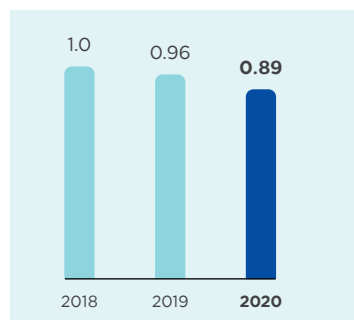
Credit Ratings



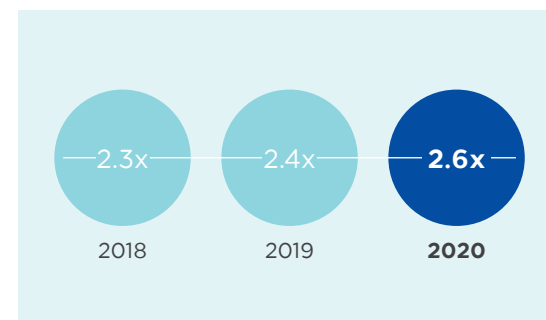
Cash Balance (RM Billion)



Normalised PATAMI (RM Billion)



Gross Debt to EBITDA Ratio



Note: ¹ DPR - Dividend Payout Ratio excluding special dividend

2. Building A Modern, Agile And Digital Asian Talent Factory

Related Key Capitals: **Financial, Human** | Link to 4P Goals: **People**

Outcomes And Value Created

- ▶ **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 to advance careers**

Activities and Processes to Create Value

- ▶ Group-wide robust talent development platform aligned with M.A.D. culture
- ▶ Axiata Digital Labs (ADL) offering a wide-array of specialised digital skills
- ▶ Established Axiata FastForward¹ and instituted the Collective Brain²
- ▶ Group-wide LEAP³ Programme for OpCos to create digitisation initiatives via friendly competition
- ▶ Developed internal and external stakeholders' data privacy and cyber security awareness, knowledge and skills via:

- Group-wide training platform deployed with a repository of curated material for privacy and cyber security aligned with our applicable laws, internal policies, standards and current best practices
- Privacy and security awareness campaigns for our employees including disseminating quarterly internal newsletters, monthly electronic direct mailers, quizzes, online games, contests and other awareness activities
- Upskilled our Data Privacy Officers (DPOs) through a continuous effort of participating in the International Association of Privacy Professionals Certified Information Privacy Manager (CIPM) certification

- Ensured that the privacy and data protection risks are identified and mitigated at the OpCo level by DPOs through continuous Privacy Assessments
- ▶ Developed leadership skills and demonstrated commitment to internal talent development through GADP⁴ and OADP⁵
- ▶ Strong employer value proposition – comprehensive HSE⁶ programme; robust compensation and benefits; supportive work-life balance initiatives; Sustainability and Diversity, Equity and Inclusion as part of People Policies and Processes

Performance Indicators

Enhancing the M.A.D. Culture

e-Learning Platforms

Online Learning

- **7,164 learners** activated
- **228,458 courses** viewed
- **74,598 courses** completed
- Top courses were on IoT, Blockchain and IR 4.0

Synapse⁷

Visits of knowledge workers
2019: 25.4%
2020: 49.9%



Axiata FastForward

- Launched 5 Academies as part of Axiata FastForward – Technology; Customer Experience; Leadership; Ways of Working; Leadership and Finance

Collective Brain

- ADL is deeply engaged in multiple tracks of Collective Brain assisting OpCos to take back control from external vendors, retaining IP, reducing cost to serve, and helping build Best Practices and software asset library
- Enabling OpCo Leaders to make key technology decisions
- Empowering OpCo Resources to deliver financial and strategic targets, and achieve end-to-end project execution

Pursuing A Digital Culture

- LEAP Awards 2020 – 150 unique digitisation initiatives submitted by OpCos
- Notable contributions for new normal growth driven initiatives submitted by Celcom, XL, Dialog and Robi



Building Digital Trust Through A Robust Data Privacy and Cyber Security Culture

- Enhanced employees' and vendors' **cyber security and privacy awareness, knowledge and skills**
- **Ensured strong alignment with global best practices**, and strict regulatory compliance in the area of data privacy
- Group-wide Cyber Security and Privacy training and awareness programme enhanced employees' and vendors' knowledge and capabilities through updated modules covering data privacy, current digital risks and cyber threats
- **> 90% completion** of training modules Group-wide
- GSOC⁸ Offensive Security team:
 - On the Top 5 Global Leader Boards and ranked 1st for Asia Pacific region at the Logwars, Capture The Flag (CTF) competition, RhythmWorld Security Conference 2020
 - 2nd place, Red Team Village, CTF, Hack in the Box Security Conference 2020



HSE

Average Lost Time Injury Frequency Rate across OpCos range from 0-0.55 (telco industry benchmark is 0.8)



GADP/OADP

> 600 future CXOs⁹

Talent at Axiata

Top Management



Middle Management



External : Internal Hiring Ratio

2018 - 17 : 83 2019 - 23 : 77 **2020 - 29 : 71**

Group Employee Engagement Survey Result

SEI¹⁰



UI.EP



Ethics



High Performance Culture



Leadership at Axiata

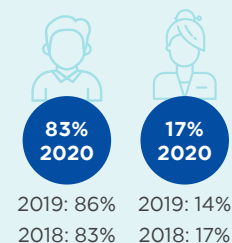
Leadership Positions in 2020

- ▶ 71% filled internally
- ▶ 8 out of 9 CEOs filled by internal talents

Nationalities of Our Leadership¹¹

- ▶ Local – 67%
- ▶ Footprint – 14%
- ▶ External – 19%

Gender Diversity in Leadership



Notes: ¹ Axiata FastForward is a Group-wide intelligent learning technology platform for our employees
² The Collective Brain is the virtual centralisation of the Group's best and brightest brains from across all regional OpCos, so that our people can collectively make the best decisions for the Group
³ LEAP = Learn, Engage, Accelerate and Perform
⁴ GADP = Group Accelerated Development Programme
⁵ OADP = OpCo Accelerated Development Programme
⁶ HSE = Health, Safety and Environment

⁷ % Visits of knowledge workers is based on Full Time Employees who are Assistant Manager and above across Axiata and our OpCos
⁸ GSOC = Group Security Operations Centre
⁹ CXO refers to any Chief Officer roles that report to the CEO
¹⁰ SEI = Sustainable Engagement Index
¹¹ Locals – Locals working in their respective OpCo country. Footprint – Non-locals from Axiata's footprint countries. External – Non-locals from outside Axiata's footprint countries

SNCR

For more details on our:

- Employee engagement activities, please refer to pages 52 to 53 of the "Fair Employment And Welfare" section
- Training and development programmes, please refer to pages 54 to 55 of the "Talent Development" section
- Health and safety performance, please refer to pages 56 to 58 of the "Employee Health, Safety And Wellbeing" section

GAFS

For more details on our employee facing data privacy and cyber security initiatives, please refer to pages 37 to 38 of the "Building Digital Trust Through Data Privacy and Cyber Security" section

3. Becoming A Trusted And Reliable Digital Partner

Related Key Capitals: **Financial, Intellectual, Social and Relationship** | Link to 4P Goals: **Partnership**

Outcomes And Value Created

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

Activities and Processes to Create Value

- ▶ Refining our strategic approach and repositioning for new normal growth opportunities by identifying the Six Core Business Dimensions aligned with Consumer, Home and Enterprise needs
- ▶ Axiata Digital Labs and Axiata Analytics Centre operationalising Axiata's IT Blueprint
- ▶ Group-wide Digital Transformation Strategy driving Digitisation and Analytics as core differentiator by leveraging on Data Analytics, Artificial Intelligence (AI) and Machine Learning (ML) as enablers
- ▶ Created differentiated products for the Enterprise segment across all OpCos
- ▶ Set up common Group-wide platforms to enhance customer service including a Chatbot Framework and a portfolio of self-care apps

- ▶ Yoodo, a brand under Celcom, is Malaysia's first truly customisable and 100% digital telco
- ▶ Digital Trust 2020 Cyber Security Strategy:
 - Defined and implemented the Group Information Security Operating Model
 - Recruited, retained and developed security teams aligned with our strategic requirements
 - Established strong security collaborations both internally and externally with a broader ecosystem
 - Defined the high-value assets (Crown Jewels) and provided differentiated protection, prioritised Detection and Response capabilities
 - Defined and implemented Group-wide risk assessment capability
 - Ensured cyber resilience throughout the pandemic:
 - Established a state-of-the-art Group Security

- Operation Centre (GSOC) and provided 24/7 security services across Axiata without any interruption during the lockdown period
- Published our Privacy Policy, updated Privacy Notices and Cyber Security Advisory on the corporate website as part of our commitment to transparency and accountability
- Conducted a Group-wide Work-From-Home (WFH) assessment to ensure resiliency and business continuity
- Completed Group-wide crisis simulation exercises to build a robust incident response capability
- Updated our corporate website with information for our customers and subscribers on current threats and malicious trends

Performance Indicators

Total Number of Mobile Customers (million)



Brand Power Results¹

#1 in two markets
Celcom² and Dialog

#2 in four markets
Robi³, XL⁴, Smart and Ncell

Digital Reputation Score⁵

#1 in three markets
Robi, Dialog and Ncell

#4 in one market
Celcom

#2 in two markets
XL and Smart

Net Promoter Score

#1 in four markets
Celcom, Robi, Dialog and Smart

#2 in two markets
XL and Ncell

ADL Empowering OpCos

- To take back control from external vendors
- Retain Intellectual Property
- Reduce cost to serve
- Build best practices
- Develop a software asset library
- **Delivered > 150 digital solutions**
- **> 1,000 digital experts**
- **> 15 innovative products and platforms**
- **> 50 certified Cloud solutions**

Strengthened Data Privacy and Cyber Security

- Improved Capability Maturity Model Integration (CMMI) Maturity to Level 3.5 for NIST functions across all OpCos, **exceeding the global average**
- **GSOC accredited by the Forum of Incident Response and Security Teams (FIRST)**
 - as a recognised global leader in Incident Response
 - Axiata is the only telecommunications company to achieve this accreditation in all countries in which we operate
 - acknowledged as the industry "Leading Specialist in Cyber Threat Management South Asia" by Acquisition International monthly magazine
- **Improved the scope and depth of MBSS to version 2.0**, which features 91 standards and includes automation to achieve scale and consistency in hardening our assets from failure and cyber-attacks

Capturing New Normal Growth Opportunities

<h5>Unlimited Data and Nomadic Mobility</h5> <p>All OpCos Offering Beyond Connectivity Enterprise services including Security, Equipment, Cloud, Data Centre, Application and IT services</p> <p>Celcom, Dialog, XL & Smart Accelerated Fixed Wireless Access transition</p> <p>Digitisation & Analytics as Enablers</p> <p>Celcom Drive online acquisition resulted in > 400% online activation YoY Use of AI & ML in CLVM to offer in-app personalised deals (Just4ME)</p> <p>XL Ensured high back end reliability to support own touchpoints: • 99.6% uptime • 96.9% own channel transactions success rate</p> <p>Smart Generated in-depth customer insights and developed actionable insights to effective target customers</p>	<h5>Optimised Customer Experience</h5> <p>Celcom Launched Dash4Me, a 24-hour express delivery for purchase via Celcom Online store Leveraging on Social Commerce with launch of BeBozz Shift focus and resources to servicing via Social Media with volume growing > 200%</p> <p>XL Revamped MyXL Launched MyXL Ultimate Dynamic personalised propositions via AXISnet</p> <p>Dialog & Ncell Shared Chatbot Framework led to > 80% resolution without escalation</p> <p>Yoodo Features > 2 million mobile plan combinations Rapid growth with > 500,000 app downloads & active online community of > 300,000 Most dominant telco in local esports scene with involvement in various tournaments and teams Connecting consumers with their preferred lifestyle segments via various add-ons - PUBG Mobile, TikTok, Netfix and Spotify</p>	<h5>Enhanced Enterprise proposition via partnerships</h5> <p>Google Cloud Cloud platform propositions</p> <p>Google Suite Access to business productivity suite + Specific partner interconnects in-country for better app experience</p> <p>Microsoft Products and services for larger Enterprise and government sectors</p> <p>Telefonica Leverage on synergies in Security and IT</p> <p>Intelligent Omnichannel Customer Experience (CX) Group-wide Digital Interaction Ratio increased by 13.4%</p>
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Axiata ranked within Top 30% of Digital Inclusion Benchmark

4th highest among digital tech companies in Asia

3rd highest among telco companies in Asia

Notes: ¹ As of 2020, Axiata has shifted from using Brand Equity Score to using Brand Power Results to measure customer satisfaction
² Includes Xpax
³ Includes Airtel
⁴ Includes Axis

⁵ In 2020, Axiata moved on to using the Digital Reputation Score from the of the Social Reputation Score in previous years

IAR

For more details on:
- The Six Core Business Dimensions, please refer to page 21 of the "In Conversation With The President & Group Chief Executive Officer" section
- OpCos digitisation and modernisation initiatives and outcomes, please refer to pages 59 to 78 of the "Delivering Our Strategy" section

SNCR

For more details on our OpCos digitisation and modernisation initiatives and outcomes, please refer to pages 39 to 40 of the "Digitisation And Modernisation" section
For more details on our data privacy and cyber security initiatives and outcomes, please refer to page 80 to 82 of the "Data Privacy" section

GAFS

For more details on our cyber security and data privacy programmes and outcomes, please refer to pages 37 to 38 of the "Building Digital Trust Through Data Privacy and Cyber Security" section

4. Supporting Governments And Communities In Our Markets

Related Key Capitals: **Financial, Social and Relationship** | Link to 4P Goals: **Partnership, Planet & Society**

Outcomes And Value Created

▶ **Contribute to the socioeconomic development of the countries we operate in through national contributions and social responsibility initiatives**

Activities and Processes to Create Value

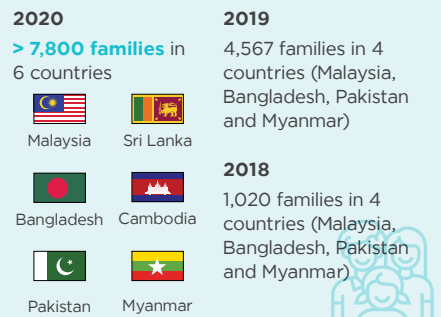
- ▶ Provided COVID-19 funding and support to governments and communities across our markets of operation
- ▶ Supported nations' 5G roll out ambitions and developed digital services that contribute to national digital policies
- ▶ Conducted programmes aligned with Axiata's commitment to GSMA's Humanitarian Connectivity Charter and Connected Women Initiative
- ▶ edotco's innovative community programmes:
 - Tower 2 Community – provided electricity for homes; channelled WiFi connectivity to libraries from the Multi-Purpose Lamp Pole; installed Solar Water Pumps; humanitarian relief for flood victims; and access to safe drinking water for underserved communities
- ▶ Employee Voluntary Engagement Programme (EVE) – two initiatives that contribute to UN SDG 2 zero hunger goals
- ▶ Contributions to tax revenue in countries that our OpCos are present
- ▶ Job creation and supporting national economic growth

Performance Indicators

Total National Contribution



Tower 2 Community Impacts



Number of Jobs Supported Across the Region



Total Tax Contributions



Supporting 5G Roll Outs

- Celcom**
 - 5G demo in PJ Smart City and Langkawi
 - 5G CoE² in collaboration with UTM³ and Ericsson
 - Smart Solutions partnership with Sunway City and Huawei
- Dialog**
 - Launched 5G pilot network in Colombo, Kandy and Galle
- Smart**
 - Trialled 5G at 20 sites in Phnom Penh and Kandal
- edotco**
 - Launched first 5G private network at Langkawi International Airport

2020 Contributions to Connected Women Initiative

- Celcom**
 - > 4,000 women in Digital Entrepreneurship Programme
 - > 1,000 female students⁴ provided learning assistance
- XL**
 - Sisternet - 30,000 members
 - Represent as **Indonesia Focal Point** at G20 EMPOWER
- Dialog**
 - Yeheli/Thozhi - > 25,000 app downloads and > 24,000 active users
- Robi**
 - Robi-CARE Girls Empowerment Programme - > 100 girls
 - Women-centric package, Ichchedana, had 1.5 million female subscribers
 - > 1,800 active female app developers on Robi's appstore platform, bdapps, representing 20% of the total app developers on the platform
- Smart**
 - Technovation Girls - > 330 girls

2020 Contributions to Humanitarian Connectivity Charter

- Smart**
 - Smart Axiata Flood Relief Fund channelling donations from subscribers for flood victims – Smart collected and matched a **total fund of USD66,000** and provided **food packages for 3,360 families**
- edotco**
 - **Hygiene kits and basic necessities for > 2,000 victims** of floods in Malaysia
 - **Humanitarian relief for > 1,200 people** impacted by Cyclone Amphan in Bangladesh

COVID-19 CSR Programmes

- USD51 million in COVID-19 GDP support**
- 3,486 jobs supported**
- 5,000 Free SIM cards** for Quarantine Centres across 5 countries from COVID-19 activities
- 100 laptops provided to underprivileged students** to support e-learning
- Celcom**
 - **Supported national COVID-19 operations in 6 states, providing broadband connectivity and devices** through collaborations with the MCMC⁵, State and Federal Governments
- XL**
 - Partnered with Ministry of Religion to **launch Digital Madrasah Virtual Learning** for Islamic school students – **110 students** from 22 Islamic schools
 - **Quota Donation Crowd Funding programme** – empowered customers and communities to donate their data packages to schools across Indonesia – **425 routers, 96,000GB of data and 121,200 students**
- Dialog**
 - **Invested SLR200 million** towards the development of Intensive Care Units at Homagama Base Hospital and Negombo Hospital
- Robi**
 - **Set up national helpline 333** in collaboration a2i⁶
 - **Developed COVID-19 contact tracing app** with a2i
 - **Conducted handwashing campaign with WaterAid** at water treatment facilities set up by Robi at 10 Bangladesh railway stations
- Ncell**
 - **COVID-19 Awareness campaigns** in collaboration with Ministry of Health and Population and UNICEF - **> 45 million SMS** and **> 20 million OBD⁷ calls**
 - **Radio Outreach Programme** providing audio classes for students in remote areas
 - **Ncell Call to Doctor service** – free digital connectivity to get in touch with doctors
 - **Free access** to government COVID-19 hotlines
- Smart**
 - **Funded 12 projects in 4 focus areas** via the Smart Axiata USD1 million COVID-19 Relief Fund i.e. ICT for education, personal hygiene, social distancing and crisis management
- edotco**
 - **COVID-19 sanitation and food aid** for families, university students and medical frontliners
 - **Donated PPE suits, surgical gloves and face masks** to 4 hospitals in 3 countries

Axiata Digital Services

- Together with the Group, Celcom and edotco, **launched the RM150 million Axiata COVID-19 Assistance Programme** providing financial assistance, Aspirasi Assist to micro-SMEs in Malaysia - Total of 9,473 loans have been granted to micro-SMEs with RM43.4 million in micro-financing
- Boost**
 - **Leading e-wallet government partner supporting the e-Tunai Rakyat e-wallet initiative and PENJANA Economic Recovery Plan** through the ePENJANA Credits Programme, Micro-SME e-Commerce campaign and SME Digitalisation Grant by Ministry of Finance/Bank Simpanan Nasional
 - “Tabung COVID-19 by Boost” and “30 Days 30 Practices” initiatives – **collected > RM1.2 million in donations**
- Aspirasi**
 - **Aspirasi Assist micro-financing**
 - **RHB Best Programme in partnership with RHB Islamic Bank** for Muslim micro-SME owners from the B40 segment

Notes: ¹ 2020 figures includes edotco Group, unlike previous years
² CoE = Centre of Excellence
³ UTM = Universiti Teknologi Malaysia
⁴ Assistance provided through Tutition Pintar and Mahir Tutor programmes, among others

⁵ MCMC = Malaysian Communications and Multimedia Commission
⁶ a2i is a whole of government programme under the ICT Division of the Government, supporting the Digital Bangladesh agenda
⁷ OBD = Outbound Dialler

IAR For more details on Our COVID-19 contributions, please refer to pages 8 to 9 of the “And This Was How We Responded To The COVID-19 Pandemic” section

SNCR For more details on:
 • Our COVID-19 community contributions, please refer to pages 68 to 73 of the “Society” section
 • Our national contributions, please refer to our National Contribution Report

5. Enabling Digitally-Connected Societies

Related Key Capitals: **Financial, Social and Relationship, Manufactured** | Link to 4P Goals: **Planet & Society**

Outcomes And Value Created

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

Activities and Processes to Create Value

- ▶ Technology venture funds that support the development of the digital economy – ADIF¹, SADIF², DADIF³ and r-ventures⁴
- ▶ Celcom launched national campaign “Celcom Business: Reimagine SME for Tomorrow” to help SMEs accelerate their digitisation and ensuring their business continuity through the pandemic
- ▶ Bangladesh’s largest online school, Robi-10 Minute School continues to provide equitable access to quality education throughout COVID-19 induced school closures
- ▶ Robi’s appstore, bdapps, recognised as the National Appstore by the Government’s ICT Division⁵

- ▶ Robi the first operator in Bangladesh to launch VoLTE services
- ▶ Smart supported Sipar’s mobile library programme, a library on wheels that travels to remote provinces and areas, through a digital corner for students to access via tablets
- ▶ Smart building start-up ecosystem and boosting digital innovation skills in Cambodia via UNDP Bluetribe, Techno Innovation Challenge Cambodia and Smart IoT Challenge Hackathon
- ▶ Boost expanded digital touchpoints to enable greater digital inclusion and convenience

- ▶ Enabling digital financial inclusion, and a more secure transacting experience via e-wallets – Boost in Malaysia and Indonesia; eZ Cash in Sri Lanka; and Smart’s investment in Pi Pay in Cambodia
- ▶ Aspirasi providing micro-financing and micro-insurance solutions for micro-SMEs
- ▶ Empowering micro-entrepreneurs, fishermen and farmers with digital service solutions
- ▶ Apigate is a global digital monetisation and customer growth solution provider, possessing an in-depth understanding of the digital content and services’ landscape with a single point of integration and operations, making it the trusted one-stop partner for digital businesses from around the world

Performance Indicators

ADIF Funding for Digital Startups (Malaysia)



- **> 6,000 Bumiputera e-entrepreneurs trained** through Siswapreneur, DesaMall, Mahir Digital Felda, PEDAS and IbuPJ
- **Launched “Celcom Business: Reimagine SME for Tomorrow” campaign** to empower SMEs through digitisation



- **Robi-10 Minute School**
- **> 1 million learners** every day on its free “MasterClasses” programme
- **> 1.5 million learners** on its YouTube channel every day
- **> 1.72 million members** engaging on its Facebook page
- **> 2 million app downloads** in the past 2 years
- **Reduced data packages for students** to support them with online education during COVID-19



Boost registered users



- **Offering cashless zakat payments** in Selangor, Kedah, Wilayah Persekutuan, Pahang, Negeri Sembilan & Sabah
- Partnered with Setel to **become Malaysia’s 1st mobile application** that creates a seamless on-the-go refuel and retail experience

SADIF Funding for Digital Startups (Cambodia)



- **Laut Nusantara**
- **45,000 downloads** since launched in 2018
- **30,721 fishermen** using the mobile tool to improve their livelihoods
- **Smart Coffee Monitoring**
- Ready to use **Agriculture IoT-based solution to improve post-harvesting coffee quality**
- **Smart Aquaculture**
- Ready to use **IoT-based precision farming solution to improve the quality of fish and shrimp cultivation**

- **Robi Appstore - bdapps**
- **12,000 app developers & 23,000 apps**
- **Largest appstore** in Bangladesh



eZ Cash registered users



- **Enabled > 100 digital partners**
- Has a reach of **approximately 1 billion consumers globally**
- **Launched new products** across 3 markets
 - Armour in Bangladesh and Malaysia
 - Apiflex (Bundling) in Indonesia
 - Apigate Storefront in Malaysia and Cambodia

DADIF Funding for Digital Startups (Sri Lanka)



- **Govi Mithuru**
- **Improving livelihoods of small holder farmers**
- **660,000 users** for interactive voice response service
- **41,000 active app users**
- **Guru.Ik**
- **Leading edutech solution provider** providing digital education transformation and youth empowerment for **731,454 students⁶**
- **Sayuru**
- **Weather warning SMS/voice message service** for fishermen and coastal communities - **> 50,000 users**
- **Saviya**
- **> 10,000 dairy farmers** using the advisory service to improve farming capacity, with 70% of users reporting higher income



- **18 people** UNDP Bluetribe
- **45 participants** SmartSpark
- **43 participants and 11 mentors** Smart IoT Challenge Hackathon
- **11,000 beneficiaries** Sipar Mobile Library



No. of SMEs Served



Total Financing Gross Transaction Value (GTV)



r-ventures Funding for Digital Startups (Bangladesh)

2020 **BDT7.0 million** invested in 13 companies

Notes: The funding for ADIF, SADIF and DADIF respectively refer to cumulative value from the start of the investments since 2018

¹ Axiata Digital Innovation Fund (ADIF) is a technology venture fund formed by Axiata Group Berhad in collaboration with Malaysia Venture Capital Management Berhad and Johor Corporation
² Smart Axiata Digital Innovation Fund (SADIF) is a venture capital fund developed in collaboration with Forte Insurance as co-investor, and managed by Mekong Strategic partners

³ DADIF = Dialog Axiata Digital Innovation Fund
⁴ r-ventures = Robi Venture

⁵ Recognition was obtained on 4 March 2021
⁶ As at 28 February 2021

6. Minimising Environmental Impact

Related Key Capitals: **Financial, Manufactured, Intellectual, Natural** | Link to 4P Goals: **Planet & Society**

Outcomes And Value Created

- ▶ **Focused carbon reduction strategy**
- ▶ **Optimise energy consumption through design innovations and renewable energy sources**

Activities and Processes to Create Value

- ▶ In line with the GSMA industry commitment to helping the mobile industry achieve Net Zero Carbon by 2050, Axiata has embarked on our Net-Zero Carbon Roadmap to manage Group energy consumption
- ▶ Established a Group-wide Sustainability Steering Committee that among other matters, oversees the Net-Zero Carbon Roadmap to drive a more coordinated carbon reduction effort across all OpCos
- ▶ Corporate Centre initiatives:
 - Axiata Green Spaces
 - Sustainability Champions
- ▶ OpCo initiatives:
 - XL - launched the Green BTS programme, and conducted various other energy saving initiatives
 - Dialog - passed Stage 1 Audit of the ISO 14001 Environmental Management System
 - All OpCos - continuing with network transformation to manage energy consumption for facilities and network

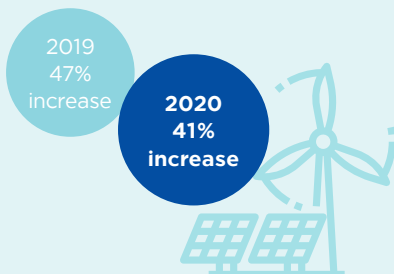
edotco initiatives:

- Maintained green energy initiatives across all National Tower Companies (NTCs) and continued to deploy optimised structures and site designs across its footprint
- Implemented Green Office initiatives across 70% of its NTCs in 2020 - recycling activities including e-waste; distributed reusable lunch boxes and wooden storage boxes to all employees; banned plastic bottles and replaced with glassware; installed water aerators, sensor lights and hand dryers, and placed indoor plants at offices; switched labelling and employed sustainable marketing of merchandise
- Conducted an employee engagement programme to raise awareness on green initiatives:
 - Green Champions elected to represent each NTC for discussions on Climate/Environmental plans and agenda
 - Obtained employee feedback via surveys on employee home solarisation and employee green transportation
- Extended target to reduce its carbon emissions per site by 63% by end 2021

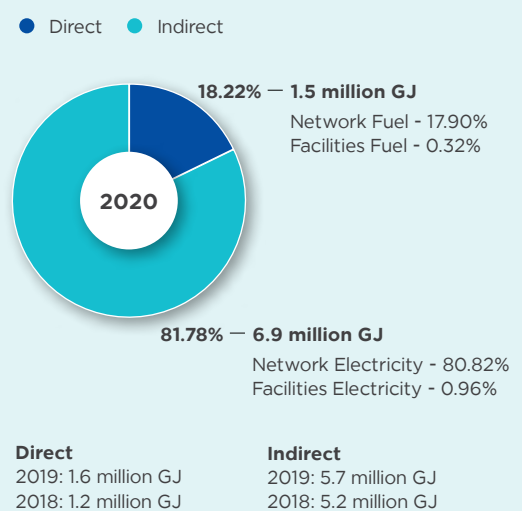
- As at end 2020, edotco has the following green energy solutions in place:
 - 1,677 solar technology sites
 - 12 wind turbine sites
 - 5 solar-wind hybrid sites
 - 125 solar air-conditioner sites
 - 3 fuel cell sites
 - 13,200 lithium ion battery sites
- Added 18 bamboo structures to bring total to 35, and obtained patent certificate for the bamboo tower invention from the Department of Patents in Bangladesh
- Maintained 19 carbon fibre towers
- As at end 2020, had a total of 242 smart lamp poles, by adding the following:
 - 2 in Bangladesh
 - 80 in Sri Lanka
- Tested and commercialised new 180Ah battery capacity in Bangladesh
- Commenced operations at lithium ion battery plant in Bangladesh
- Partnered with SIRIM to develop the SIRIM Product Category Rules Standards providing guidelines for the eco-labelling of telecommunication sites

Performance Indicators

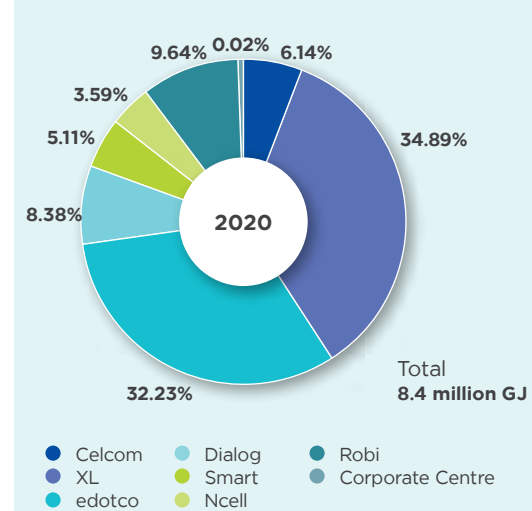
YoY edotco Renewable Energy Generation



Group-wide Total Energy Consumption



Group-wide Total Energy Consumption by OpCos



Group-wide GHG emissions

Scope 1 ¹	Scope 2 ²
2020: 102,548 tCO₂e	2020: 1,276,641 tCO₂e
2019: 106,676 tCO ₂ e	2019: 1,038,773 tCO ₂ e
2018: 83,120 tCO ₂ e	2018: 1,028,022 tCO ₂ e

Outcomes of edotco's initiatives

Cumulative ~ 38,000 trees planted across the footprint since 2018	~ 60,000kg waste recycled/reused across the footprint since 2018
Employee Voluntary Programme 900+ carbon sequestered from 23,650 trees planted and 25,405kg recyclables collected	20% total cost of ownership savings recorded from Supercapacitor POC

Notes: ¹ Direct GHG emissions from sources that are owned or controlled by the Group | ² Indirect GHG emissions resulting from the generation of electricity, heating and cooling or steam purchased by the Group

Gurreet Kaur

Senior Specialist, Rollout, Technical
Analysis, Sustainability & Innovation,
edotco Group

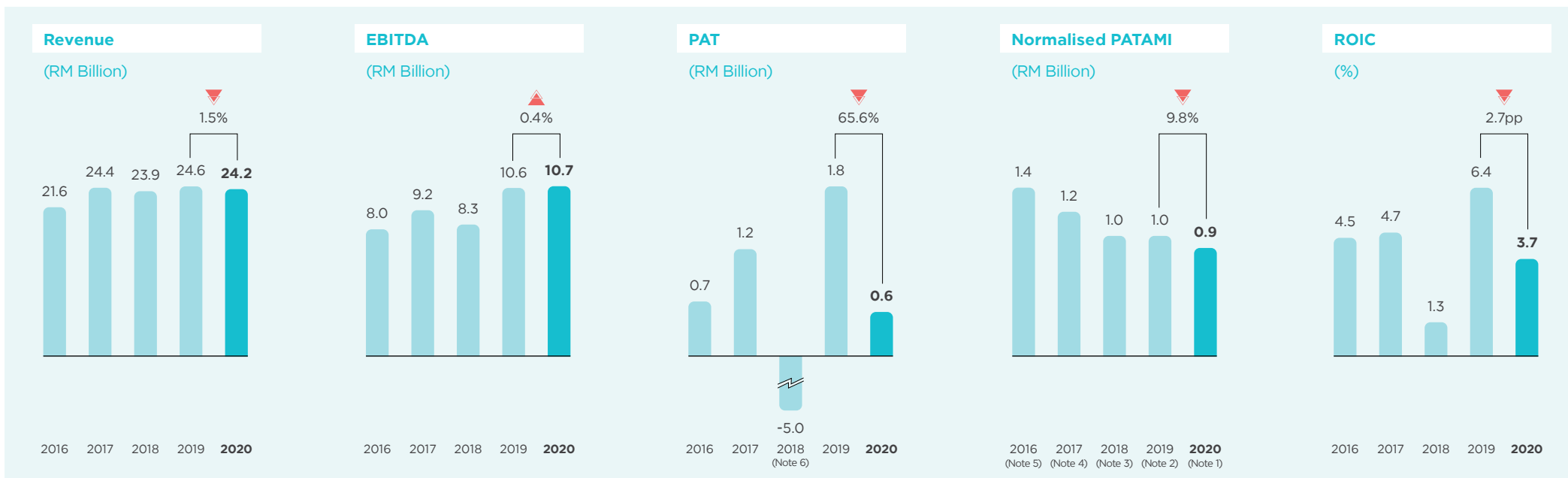
Achieving 70% reduction in carbon
emissions per site through innovative
use of bamboo towers.

#ItBeginsWithUs

**OUR FINANCIAL
RESILIENCE**

Financial Review

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS



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

Note 2 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 (RM51.7 million), gain on disposal of towers (RM82.2 million) and purchase price allocations amortisation (RM121.8 million).

Note 3 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 (RM208.9 million)^{Note 6}, gain on disposal of towers (RM80.5 million) and purchase price allocations amortisation (RM236.3 million).

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

Note 5 2016 normalised PATAMI excludes gain on disposal of towers (RM339.6 million), accelerated depreciation (RM303.8 million), purchase price allocations amortisation (RM105.5 million), one-off merger adjustments (RM20.2 million) and foreign exchange loss (RM824.1 million).

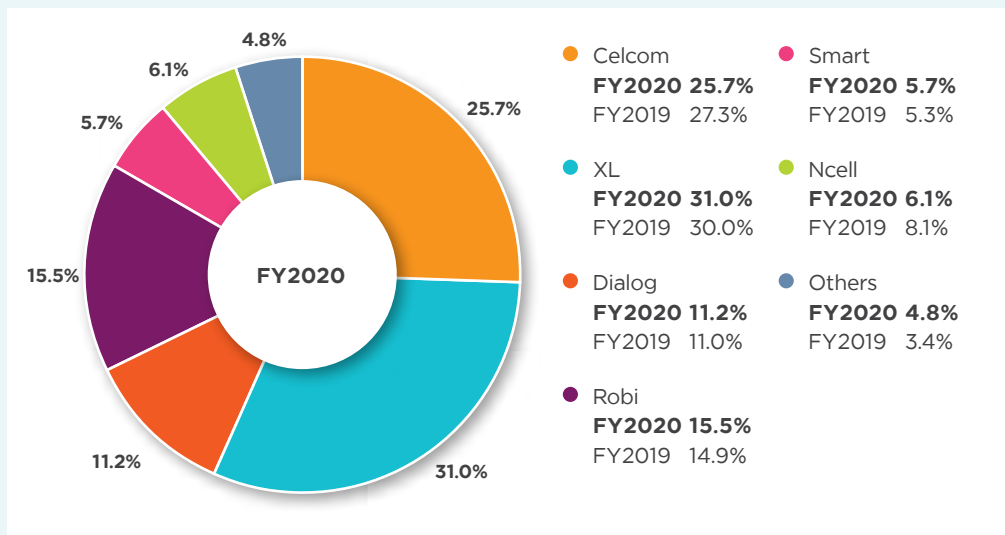
Note 6 2018 is based on restated financials.

Note 7 2019 and 2020 are based on post MFRS 16 "Leases".

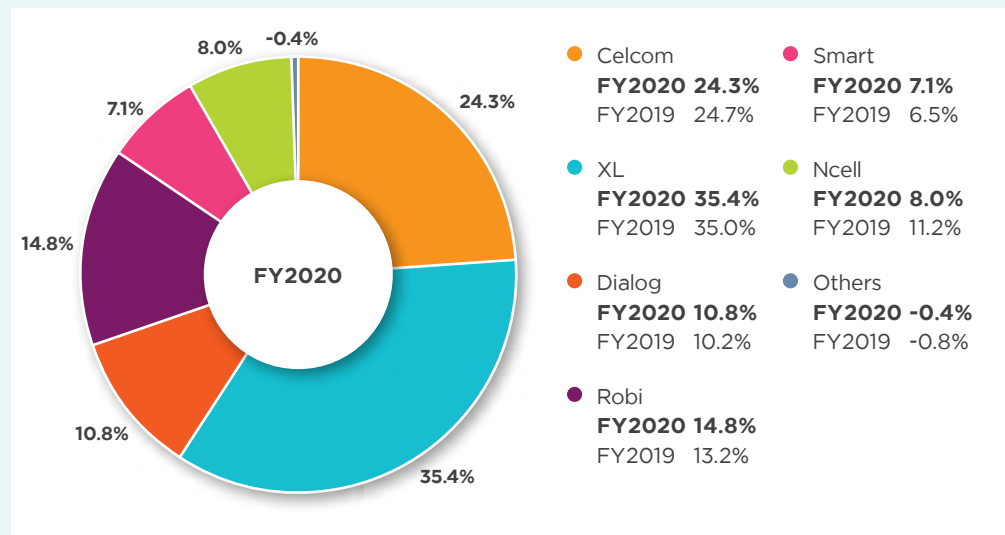
Financial Review

SUMMARY BREAKDOWN OF REVENUE, EBITDA, TOTAL ASSETS AND TOTAL LIABILITIES & EQUITY

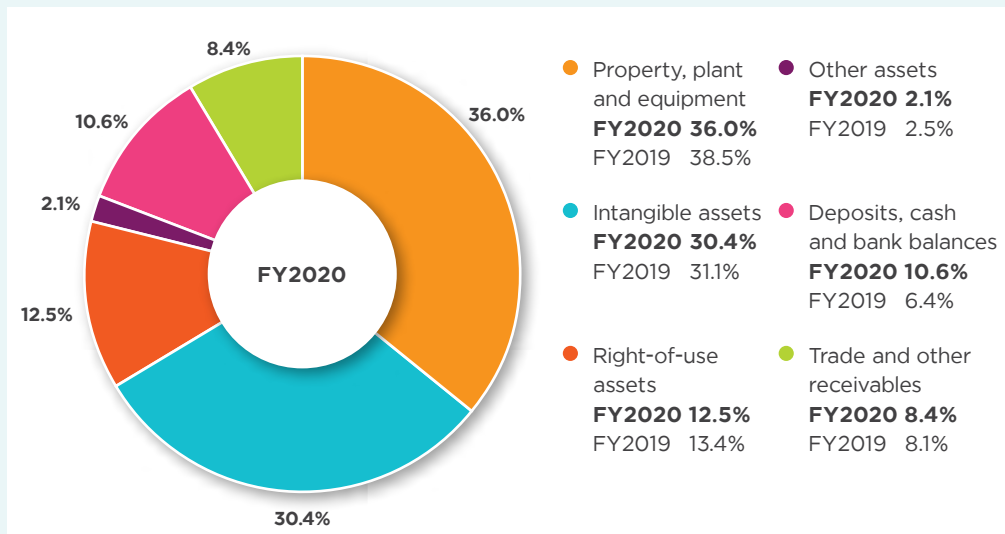
Revenue



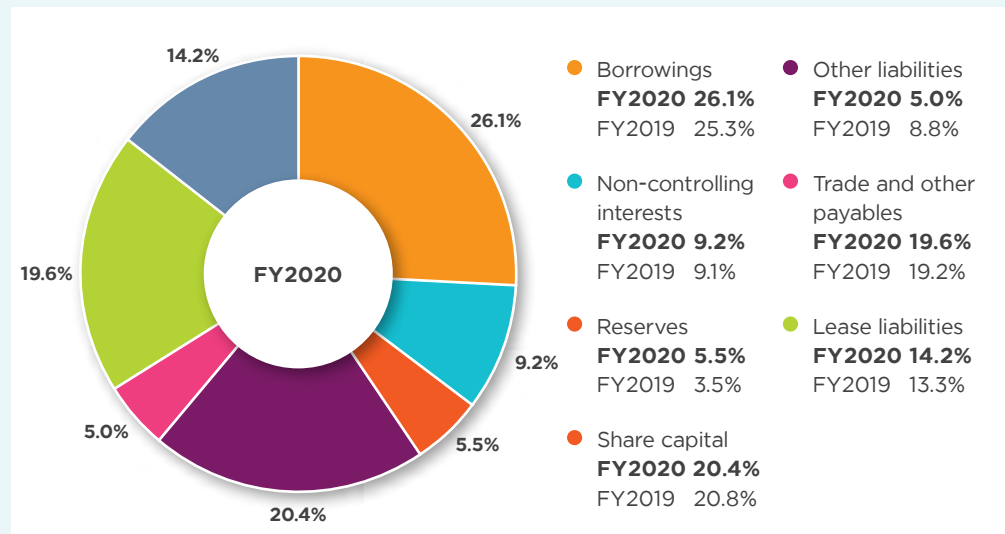
EBITDA



Total Assets



Total Liabilities & Equity



Financial Review

FIVE-YEAR GROUP FINANCIAL SUMMARY

Operational Highlights

All in RM Million unless stated otherwise	FY2020	FY2019 ²	FY2018 ²	FY2017	FY2016 ²
1. Revenue	24,203	24,583	23,886	24,402	21,565
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	10,657	10,619	8,334	9,230	8,013
3. Earnings from Associates and Jointly Controlled Entities	19	(3)	(428)	(404)	30
4. Profit Before Tax (PBT)	1,171	2,780	(4,073)	1,936	1,140
5. Profit After Tax (PAT)	624	1,815	(4,975)	1,162	657
6. Profit After Tax and Minority Interests (PATAMI)	365	1,458	(4,762)	909	504
7. Normalised PATAMI ¹	865	960	1,010	1,205	1,418
8. Total Shareholders' Equity	17,641	16,181	17,477	24,731	23,581
9. Total Assets	67,962	66,534	63,855	69,911	70,753
10. Total Borrowings (exclude lease liabilities)	17,745	16,826	19,130	19,184	22,260
11. Total Lease Liabilities	9,629	8,840	N/A	N/A	N/A
12. Customers (million) ³	157	153	149	348	320

Growth Rates YoY

1. Revenue	-1.5%	2.9%	-2.1%	13.2%	8.5%
2. EBITDA	0.4%	27.4%	-9.7%	15.2%	10.0%
3. Total Shareholders' Equity	9.0%	-7.4%	-29.3%	4.9%	0.2%
4. Total Assets	2.1%	4.2%	-8.7%	-1.2%	26.1%
5. Total Borrowings (exclude lease liabilities)	5.5%	-12.0%	-0.3%	-13.8%	35.8%

Share Information

1. Per Share					
Earnings (basic) - sen	4.0	16.0	(52.6)	10.1	5.7
Earnings (diluted) - sen	4.0	16.0	(52.4)	10.1	5.7
Net Assets - RM	1.9	1.8	1.9	2.7	2.6
2. Share Price information - RM					
High	4.60	5.26	5.70	5.49	6.34
Low	2.66	3.73	3.25	4.29	4.19

Financial Ratio

1. Return on Invested Capital ⁴	3.7%	6.4%	1.3%	4.7%	4.5%
2. Gross Debt to EBITDA ⁵	2.6	2.4	2.3	2.1	2.8
3. Debt Equity Ratio ⁶	1.6	1.6	1.1	0.8	0.9

Notes:

¹ Excludes foreign exchange gain/loss, gain/loss on disposal of associates and joint venture, gain on divestment of non-core digital businesses, loss on asset held-for-sale, one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment, purchase price allocations amortisation, gain on disposal of towers, one-off merger adjustments, severance payment and Idea related transactions (loss on derecognition of associate, loss on dilution, operational losses and gain on disposal of rights).

² FY2019, FY2018 and FY2016 are based on restated financials.

³ From FY2018 to FY2020 customers exclude Idea and M1 customers.

⁴ EBIT less tax over average invested capital.

⁵ FY2020 and FY2019 (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2016 to FY2018: Total borrowings over EBITDA.

⁶ FY2020 and FY2019 (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total shareholders' equity; FY2016 to FY2018: Total borrowings over total shareholders' equity.

⁷ FY2020 and FY2019 are based on post MFRS 16 "Leases".

Financial Review

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Financial Year Ended	
	31/12/2020 RM'000	31/12/2019 RM'000 Restated
Revenue	24,203,171	24,583,312
Operating costs:		
- depreciation, impairment and amortisation	(8,484,994)	(7,084,236)
- foreign exchange (losses)/gains	(196,083)	5,421
- domestic interconnect, international outpayment and other direct costs	(1,822,171)	(1,980,257)
- marketing, advertising and promotion	(1,892,272)	(2,001,470)
- other operating costs	(7,305,590)	(7,406,798)
- staff costs	(2,227,532)	(2,220,200)
- net impairment on receivables and amounts due from subsidiaries	(298,731)	(355,437)
Other gains/(losses) - net	2,693	(22,601)
Other income - net	516,393	714,392
Profit before finance cost	2,494,884	4,232,126
Finance income	177,183	230,468
Finance cost excluding net foreign exchange gains on financing activities	(1,693,067)	(1,738,473)
Net foreign exchange gains on financing activities	173,395	59,085
	(1,519,672)	(1,679,388)
Associates		
- share of results (net of tax)	17,862	(647)
Joint ventures		
- share of results (net of tax)	860	(2,819)
Profit before taxation	1,171,117	2,779,740
Taxation and zakat	(547,072)	(964,644)
Profit for the financial year	624,045	1,815,096
Profit for the financial year attributable to:		
- owners of the Company	365,155	1,457,550
- non-controlling interests	258,890	357,546
	624,045	1,815,096
Earnings per share (sen)		
- basic	4.0	16.0
- diluted	4.0	16.0

CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended	
	31/12/2020 RM'000	31/12/2019 RM'000
Receipt from customers and others	24,167,782	24,875,636
Payments to suppliers, employees and others	(15,053,690)	(13,413,645)
Payment of finance costs	(1,400,405)	(1,689,589)
Payment of income taxes and zakat (net of refunds)	(576,986)	(1,233,788)
Total cash flows from operating activities	7,136,701	8,538,614
Purchase of PPE (net proceeds from disposal)	(4,518,966)	(6,770,736)
Acquisition of intangible assets	(596,723)	(429,628)
Investment in deposits maturing more than three (3) months	601,802	133,618
Investment in subsidiaries (net of cash acquired)	-	21,451
Investment in associates	(16,797)	(14,664)
Investment in joint ventures	(11,169)	-
Disposal of associates	-	1,649,256
Interest received	192,101	230,232
Purchase of other investments	(1,953)	(33,030)
Disposal of other investments	150,582	97,500
Net proceeds from sale of towers	580,790	-
Disposal of rights on right issue of a financial asset at FVTOCI	-	96,149
Payments for ROU assets	(22,495)	(41,336)
Settlement of derivative financial instrument	-	(38,712)
Others	4,237	241
Total cash flows used in investing activities	(3,638,591)	(5,099,659)
Proceeds from/(Repayments of) borrowings and Sukuk (net)	1,393,400	(2,352,263)
Sale and leaseback towers	561,908	-
Additional investment in subsidiaries by the Group	-	(90,704)
Additional investment in subsidiaries by NCI	7,897	82,444
Capital injection in a subsidiary by NCI	294,000	-
Proceed from IPO of a subsidiary	184,092	-
Repayments of lease liabilities	(1,328,392)	(1,207,992)
Share buyback of a subsidiary	(40,469)	-
Dividends paid	(852,732)	(613,669)
Others	9,596	16,389
Total cash flows from/(used in) financing activities	229,300	(4,165,795)
Net increase/(decrease) in cash and cash equivalents	3,727,410	(726,840)
Exchange gains/losses and restricted cash	(20,353)	(45,803)
Cash and cash equivalents at the beginning of the financial year	3,015,105	3,787,748
Cash and cash equivalents at the end of the financial year	6,722,162	3,015,105
Bank overdraft	116,555	134,442
Deposits and others	355,537	1,081,552
Deposits, cash and bank balances	7,194,254	4,231,099

Financial Review

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	
	31/12/2020 RM'000	31/12/2019 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,883,028	13,857,268
Reserves	3,758,114	2,323,525
Total equity attributable to owners of the Company	17,641,142	16,180,793
Non-controlling interests	6,238,288	6,039,230
Total equity	23,879,430	22,220,023
NON-CURRENT LIABILITIES		
Borrowings	14,773,895	9,194,490
Derivative financial instruments	121,784	110,818
Deferred income	445,237	383,337
Deferred gain on sale and lease back assets	422,817	559,351
Trade and other payables	1,303,042	607,967
Provision for asset retirement	640,507	517,288
Deferred taxation	1,086,780	1,205,422
Lease liabilities	7,894,276	7,397,617
Total non-current liabilities	26,688,338	19,976,290
	50,567,768	42,196,313
NON-CURRENT ASSETS		
Intangible assets	20,634,399	20,724,361
Contract cost assets	179,801	182,908
Property, plant and equipment	24,495,647	25,633,223
Right-of-use assets	8,518,895	8,937,706
Associates	274,635	207,357
Joint ventures	33,737	21,709
Financial assets at fair value through other comprehensive income	220,978	301,347
Financial assets at fair value through profit or loss	4,467	3,459
Derivative financial instruments	8,343	15,256
Trade and other receivables	1,315,895	656,639
Deferred taxation	310,324	324,187
Total non-current assets	55,997,121	57,008,152

	As at	
	31/12/2020 RM'000	31/12/2019 RM'000
CURRENT ASSETS		
Inventories	141,663	154,328
Trade and other receivables	4,362,395	4,721,973
Derivative financial instruments	-	9,247
Financial assets at fair value through profit or loss	138,113	60,417
Tax recoverable	97,610	70,944
Deposits, cash and bank balances	7,194,254	4,231,099
	11,934,035	9,248,008
Assets classified as held-for-sale	30,593	277,643
Total current assets	11,964,628	9,525,651
LESS: CURRENT LIABILITIES		
Trade and other payables	12,001,948	12,178,262
Deferred income	3,820	-
Deferred gain on sale and leaseback assets	121,365	124,748
Borrowings	2,971,544	7,631,753
Lease liabilities	1,734,320	1,442,700
Derivative financial instruments	10,881	2,041,199
Current tax liabilities	532,947	899,811
	17,376,825	24,318,473
Liabilities classified as held-for-sale	17,156	19,017
Total current liabilities	17,393,981	24,337,490
Net current liabilities	(5,429,353)	(14,811,839)
	50,567,768	42,196,313

Financial Review

GROUP FINANCIAL SNAPSHOT

Amidst a challenging COVID-19 pandemic year, Axiata Group concluded the financial year with revenue at RM24,203.2 million, Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) at RM10,656.9 million and Profit After Tax and Minority Interests (PATAMI) of RM365.2 million.

During the year, the Group recorded accelerated depreciation and write-off of assets mainly for 3G assets, for a total amounting to RM1,065.3 million (PAT: RM821.2 million; PATAMI: RM604.3 million).

Revenue

- ▶ Group revenue declined by 1.5% to RM24,203.2 million for 2020, mainly due to the COVID-19 pandemic and lockdown measures across Operating Companies (OpCos) markets during the financial year
- ▶ Celcom and Ncell registered a decline in revenue, whereas all other OpCos delivered growth

EBITDA

- ▶ Despite drop in revenue, Group EBITDA was flat at RM10,656.9 million with improvement from all OpCos, except Celcom, Ncell and edotco due to the Group-wide Cost Excellence Programme

Cost Optimisation

In 2020, the Cost Excellence Programme incrementally delivered RM1.8 billion of cost savings and avoidance done by over 400 different initiatives.

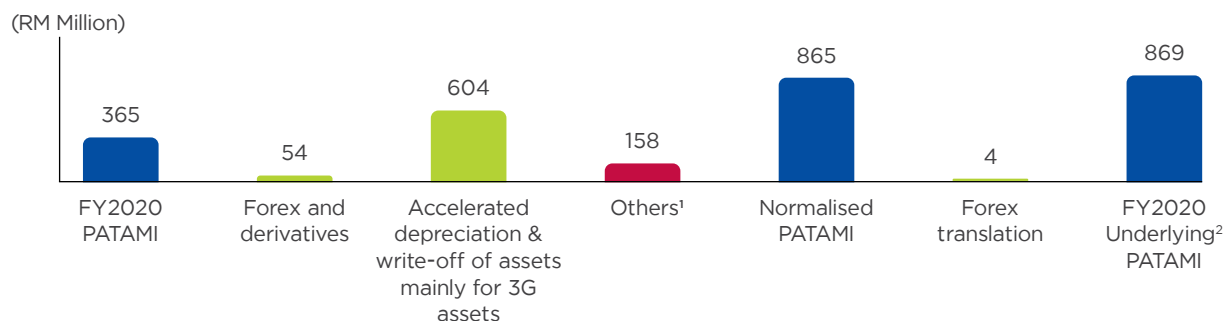
- ▶ The savings comprised operating expenses (opex) at 42% and capital expenditure (capex) at 58% and across functional cost areas with network contributing the most
- ▶ Other areas included customer operations, sales and marketing, new subscriber acquisition and channel commissions. Vendor negotiations and discounts were the largest contributor to savings with increasing contribution of almost 40% coming from automation, digitisation and sustainable efficiency improvements
- ▶ The Group exceeded the RM5.0 billion savings target one year ahead of schedule
- ▶ The Cost Excellence Programme continues to strongly bring about efficiency in line with the Group's target to become the lowest cost producer of data in all operating markets

PAT/PATAMI

- ▶ Group PAT and PATAMI decreased by 65.6% and 74.9% to RM624.0 million and RM365.2 million respectively impacted by accelerated depreciation and write-off of assets mainly for 3G assets amounting to RM821.2 million, net tax (PATAMI: RM604.3 million), as well as lower one-off gains
- ▶ In 2020, XL recognised a one-off gain on sale and leaseback of telecommunication towers of RM444.2 million (PATAMI: RM294.8 million) as opposed to 2019 when the Group had recognised a one-off gain on disposal of

- non-strategic investments and disposal of Idea's rights for a total of RM576.7 million
- ▶ Adjusting for one-off items mainly from accelerated depreciation and write-off of assets mainly for 3G assets, forex and derivative, normalised Group PATAMI for FY2020 stood at RM865.4 million
- ▶ Bridging of 2020 PATAMI to normalised and underlying² PATAMI as indicated below:

Bridging of FY2020 Reported PATAMI to Underlying PATAMI



Notes: ¹ Others include gain on disposal of towers, purchase price allocations amortisation
² Numbers are based on constant currency

Financial Review

GROUP FINANCIAL POSITION

As at 31 December 2020, the Group's financial position maintains healthy cash balance at RM7.2 billion and gross debt to EBITDA of 2.6x.

Key Highlights of Group Financial Position

Total equity stood at RM23.9 billion

- ▶ Total equity increased by RM1.7 billion
- ▶ The increase in equity balance in 2020 was mainly driven by:
 - Profit for the financial year of RM624.0 million
 - Derecognition of put option liability arising from a transaction with non-controlling interest of RM2.3 billion through reserve but the increase was partially offset by dividends paid to shareholders and non-controlling interest of RM896.5 million

Total assets stood at RM68.0 billion

- ▶ Total assets increased by RM1.4 billion
- ▶ Deposits, cash and bank balances increased by RM3.0 billion
- ▶ Property, plant and equipment (PPE) decreased by RM1.1 billion mainly due to:
 - Depreciation and write-off of RM5.9 billion which includes accelerated depreciation and write-off of assets mainly of 3G assets of RM1,065.3 million
 - Currency translation differences of RM514.5 million
 - Reduction was partially offset by addition during the financial year amounting to RM5.3 billion
- ▶ Right-of-use assets (ROU) decreased by RM418.8 million mainly due to:
 - Depreciation of RM1.6 billion
 - Disposal/termination of RM431.4 million
 - Currency translation differences of RM171.6 million
 - Reduction was partially offset by addition during the financial year amounting to RM1.9 billion
- ▶ Assets classified as held-for-sale decreased by RM247.1 million due to:
 - Disposal of remaining investment in Idea of RM106.8 million
 - Completion on sale of telecommunication towers and leaseback of specific tower spaces by XL of RM170.9 million

Total liabilities stood at RM44.1 billion

- ▶ Gross liabilities decreased by RM231.5 million
- ▶ Derivative financial instruments decreased by RM2.0 billion due to derecognition of put option liability of RM2.3 billion arising from a transaction with non-controlling interest upon completion of Robi's IPO, offset with a revaluation loss of RM223.0 million during the year
- ▶ Gross borrowing (exclude lease liabilities) increased by RM919.2 million to close at RM17.7 billion mainly due to new loans of RM13.4 billion offsetting loan repayment of RM12.0 billion
- ▶ Lease liabilities increased by RM788.3 million to close at RM9.6 billion mainly due to addition of RM2.4 billion, partly offset by lease payment of RM1.8 billion

Capital Investments

- ▶ The Group has incurred capex investment of RM5.3 billion at 22% capex intensity to support its continuous growth. These investments are mainly sourced from internal funds. The spend is in line with Group's Axiata 5.0 strategy as The Next Generation Digital Champion by 2024
- ▶ The Group anticipates continued uncertainties in 2021, however we are hopeful for normalcy to resume in the second half of 2021 as a result of vaccination programme in all our markets
- ▶ The Group remains cognisant and will continue with the momentum already built, to accelerate Group-wide execution that is anchored upon:
 - Sustainable Growth: Position for "New Norms" through opportunistic investments, to continue OpCos transformation agenda and extract value from the new growth areas of Enterprise, Home and Digital VAS
 - Operational Excellence: Embedded in our DNA to be a low-cost producer through our Collective Brain engagement model which will focus on Group-wide digitisation and analytics initiatives for efficient technologies and capex planning
 - Structural Changes: Continued endeavors on portfolio optimisation and value illumination

Cash Position and Dividends

- ▶ The Group cash balance remained healthy at RM7.2 billion
- ▶ The increase in cash balance compared to last year by RM3.0 billion driven by net cash inflow from operating activities of RM7.1 billion, partially offset by capital investment in network and cash dividends paid
- ▶ Resilient performance in 2020 amidst a global pandemic, the Board of Directors approved a total dividend of 7 sen per ordinary share which translated to 74% dividend payout ratio

Capital Structure and Capital Resources

- ▶ The Group's debt to equity gearing ratio (gross borrowing including lease liabilities over total shareholder's equity) stood at 1.6 as at 31 December 2020

Capital Allocation and Balanced Portfolio

- ▶ The Group is re-positioning its investor proposition to be a High Dividend Company
- ▶ The aspiration to pay more than 20 sen DPS by 2024 to be delivered via disciplined execution of ongoing and planned activities
- ▶ Balanced portfolio is represented by profitability, revenue growth and ROIC focus

Financial Review

KEY PERFORMANCE INDICATORS

On 21 February 2020, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2020. The Group's 2020 Headline KPIs announced were as below:

	FY 2020
	Headline KPIs @ Constant rate ¹
Revenue Growth ²	3.5 - 4.5%
EBITDA Growth	4.0 - 5.5%
Return on Invested Capital ³ (ROIC)	5.5 - 6.0%

Notes:

¹ Constant rate is based on the FY19 Average Forex Rate (e.g. 1 USD = RM4.142)

² Revenue is based on Revenue excluding device

³ ROIC is defined as (EBIT - Tax + Share of Assoc) / Average Invested Capital (excluding cash)

In the wake of the COVID-19 pandemic, given the uncertainty surrounding the depth and duration of this pandemic and the difficulty in predicting the pace of recovery, the Group withdrew its guidance on the above Headline KPIs on 21 May 2020.


The Group nonetheless recorded resilient performance amidst the challenging year with better than expected results. Revenue declined by low single-digit percentage whilst EBITDA remained flat on the back of cost measures implemented Group-wide. ROIC stood at 3.7%, (5.7% based on adjustments for Celcom's employee restructuring programme and accelerated depreciation/write-off involving mainly 3G assets).

As part of its corporate social responsibility, Axiata continued to support its customers via free data and connectivity plans to access healthcare, education, entertainment, enterprise, and government websites providing aid to communities across its markets.

During this challenging year, the Group's key focus was to conserve cash via disciplined cost management and capex efficiency, whilst also building a war chest for opportunities in the "new norm". It ended the year with RM3.3 billion operating free cash flow and cash in hand of RM7.2 billion.

The Group strengthened its liquidity position with the completion of the issuances of USD500.0 million Multi-Currency Sukuk and USD1.0 billion Euro Medium Term Note Programme on 19 August 2020, which were utilised for refinancing and corporate purposes. In addition, on 24 December 2020, Robi was successfully listed on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in Bangladesh.

Overall, Axiata achieved relatively balanced results with strong cash generated.

A woman with glasses and a white top is watering a variety of green plants on a rooftop garden. She is holding a blue watering can. The garden is lush with different types of vegetables and herbs. In the background, there are wooden trellises with hanging pots of red flowers. The sky is bright blue with some clouds. The overall scene is vibrant and green.

Shraddha Bhattarai
Specialist, Legal
& Corporate Services Department
Ncell Axiata

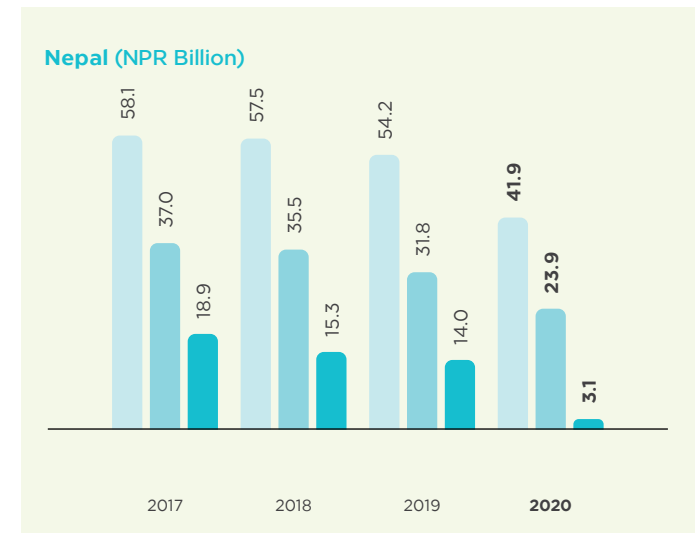
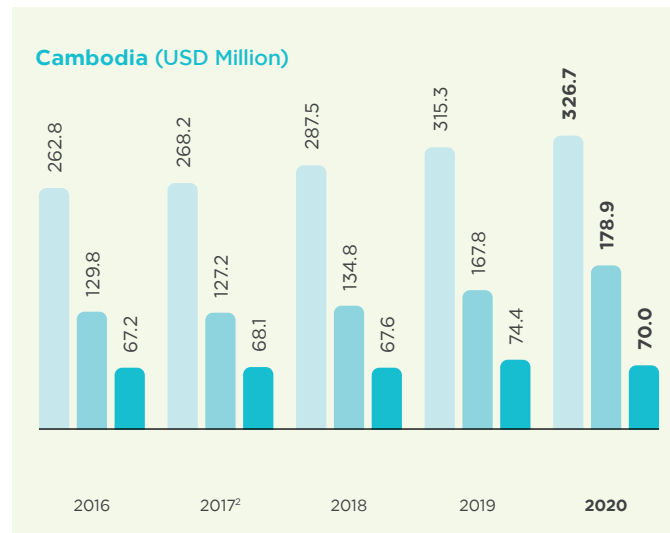
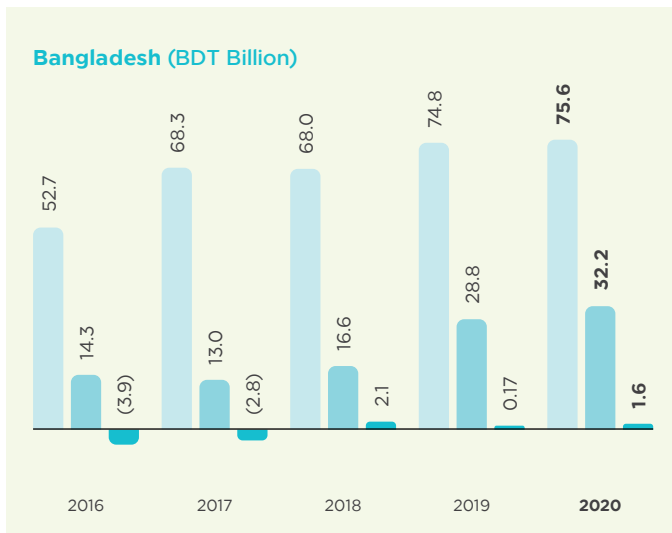
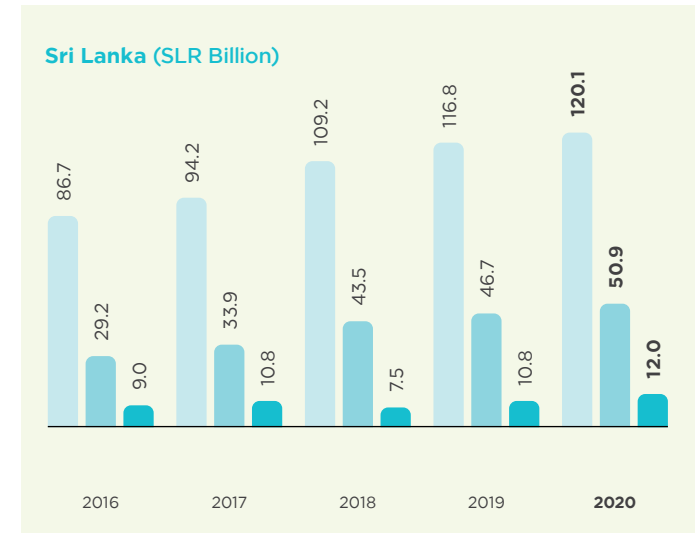
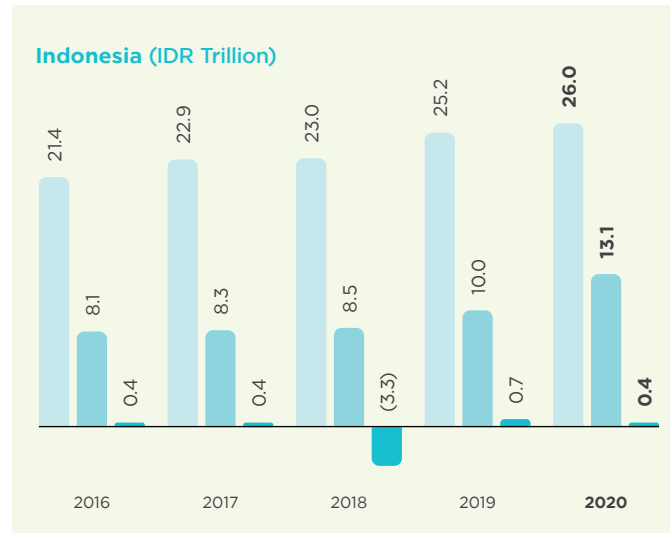
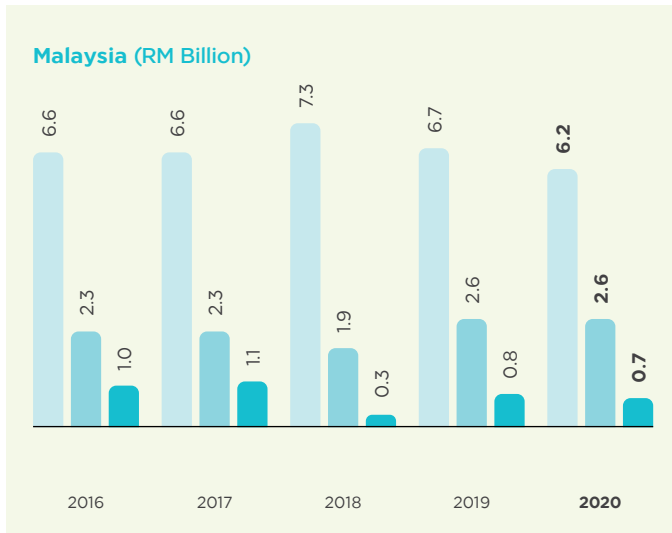
Terrace gardening to grow
my family's supply of vegetables.

#ItBeginsWithMe

**DELIVERING
OUR STRATEGY**

2020 Overview Of Digital Telcos' Performance

Reporting By Geographical Location¹



Notes: 2019 financial numbers are post International Financial Reporting Standards (IFRS) 16 (except for Indonesia, which is only from 2020)




¹ Axiata's reporting by geographical location is conducted for its OpCos: Celcom, XL, Smart, Dialog, Robi and Ncell

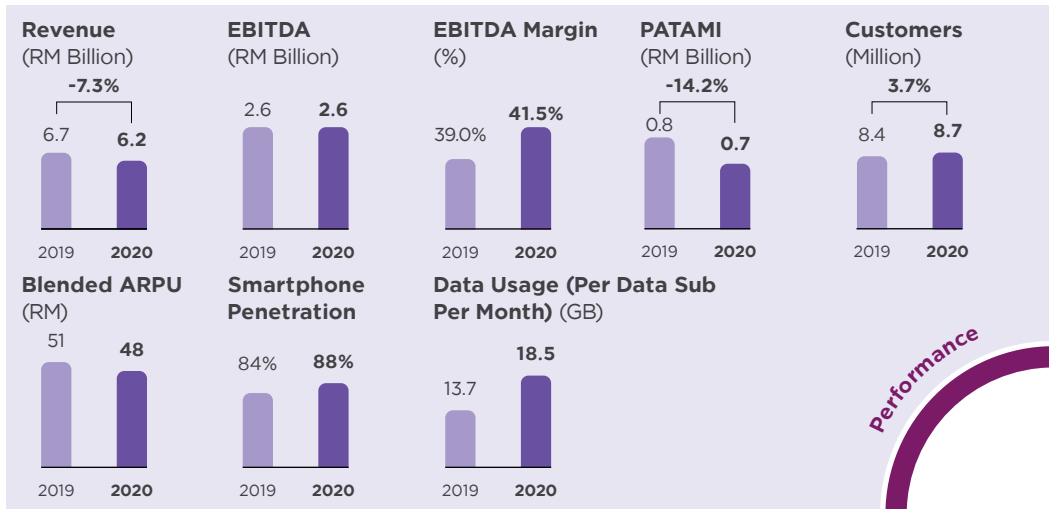
² 2017 figures have been restated to exclude edotco Cambodia's results, for like to like comparison with 2018 figures

³ Nepal's financial numbers are based on financial year ended mid (15th/16th) December through the years 2017 to 2020



⁴ Smart's Revenue are pre IFRS 15 for the years prior to and up to 2019. 2020 Revenue is post IFRS 15

■ Revenue ■ EBITDA ■ PAT

	Year of Investment/Shareholding: 2008/100.00%	Technology Deployed: Mobile: GSM/GPRS/EDGE, 3G/ HSPA+, LTE/LTE-A/VoLTE	No. of BTS/ Node B: 2G: 8,192 3G: 15,087 4G: 21,213	Network Coverage (by population coverage): 2G: 95.22% 3G: 94.18% 4G: 92.23%			
	Nature of Business: Mobile Telecommunications	Fixed Network: FTTx, WTTx				Scan to watch more from our Chief Executive Officer, Celcom Axiata	Scan QR code to visit Celcom's website
	Customers: 8.7 million						








Implemented various safety measures at the workplace to contain the pandemic, prioritising employee wellbeing and safety always 	Consistently carried out multi-level communication programmes throughout 2020 resulting in higher employee engagement 	Adapted to new norms: Fast adoption of Work-From-Home (WFH) and new ways of working - Provided digital tools to drive productivity and facilitate collaboration 
--	--	--

Completed workforce rationalisation programme towards a leaner workforce 	Fighting spirit reignited throughout the organisation to win back the market evident with turnaround performance since second half of 2020 
---	---

Rolled out a comprehensive COVID-19 response **to help cushion the economic and social impacts of the crisis** in Malaysia for customers, vendors, partners and others within the ecosystem. This included:

- ▶ Keeping communities connected, productive and safe
- ▶ Ensuring support for small and micro businesses
- ▶ Facilitating supply chain stability
- ▶ Supporting the Ministry of Health's connectivity requirements
- ▶ Inspiring positivity throughout the pandemic with the #StayIn and #LightItBlue campaigns

Leading in the 5G era via multiple industry collaborations for fiber sharing and 5G networks 	Contributing to the national Universal Service Provision programme to bridge the digital divide in remote areas 	At the forefront of 5G development by supporting the Government through 5G demonstration projects and use cases: <ul style="list-style-type: none"> ▶ 5G Langkawi demonstration ▶ 5G and Smart Solutions partnership with Sunway City and Huawei ▶ 5G Centre of Excellence with University Teknologi Malaysia and Ericsson ▶ 5G demo network in PJ Smart City 
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Implemented programmes that empower the underserved in the digital economy and provide equitable access to education such as DesaMall, Mahir Digital Felda, SiswaCommerce, IbuDigital, Tuisyen Pintar and Mahir Tutor 	The Green office@celcom initiative helped to reduce employees' carbon footprint via waste management, paperless practice, energy efficient fixtures and many more 
--	---

Embarked on multiple Enterprise collaborations in key focus areas such as healthcare, education, Internet of Things (IoT) and ICT Solutions 	Introduced crowdsourcing dealers' ecosystem "BeBozz" supporting the Gig Economy 	Launched enhanced Vendor Development Programme (VDP) 2.0 in close collaboration with government agencies to develop capable, self-sustaining and competitive suppliers that can complement Celcom's ecosystem 
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Note: ¹ B40 refers to the bottom 40% households in the country's income distribution

IAR

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SNCR For more details on Celcom's sustainability initiatives and outcomes, please refer to the SNCR

GAFS For more details on awards won by Celcom in 2020, please refer to page 17 of the "Awards" section



Operating Environment

Mobile industry revenue under pressure due to **economic downturn** caused by the pandemic

Heightened competition mid-2020, as players sought to re-store revenue growth post MCO¹

Surge in data traffic and new traffic patterns emerged, **leading to lower price per GB. Industry wide free 1GB implemented** in support of government initiatives

Change in regulatory landscape from the initial plan for 5G with a new approach in 2021. Government announced National Digital Infrastructure Plan (JENDELA) in the second half of 2020, to be executed in phases over the next few years

Business Review in 2020

Resilient and strong market momentum amidst the pandemic challenges, significant YoY **growth in subscriber base > 300k** YoY. Revamped product portfolio with **new Prepaid Truly Unlimited and Postpaid MEGA™ Plans**



Total revenue impacted by the MCO, moderated by uplift from MVNO² and Home segments



Focused effort on Digitising Customer Experience continues to deliver results. **> 70% of Smartphone users** have adopted the Celcom Life App. Recorded **> 100% YoY** growth in number of App transactions



Industry leading mobile app with **highest app star rating of 4.8 for iOS Appstore**



Revamped product for Home segment. Home Fibre gained traction in subscribers and revenue



Despite challenging environment in Enterprise segment, **non-mobile and ICT verticals** maintained **double-digit revenue growth**



Accelerated network investments, **upgrades and traffic management to support new norm traffic growth**, while maintaining leadership in LTE availability



Implemented Agile Ways of Working in product development and supply chain processes resulting in 3x faster time-to-market and 30% shorter time-to-procure



Industry leading relationship Net Promoter Score (rNPS), denoting excellent customer experience



Won 4 awards at Frost & Sullivan Best Practices Awards 2020

▶ **2020 Malaysia IoT Services Company of the Year Award**

▶ **2020 Malaysia Mobile Data Service Provider of the Year Award**

▶ **2020 Excellence in Customer Experience (Telecommunications) for In-Store Experience**

▶ **2020 Excellence in Customer Experience (Telecommunications) for Net Promoter Score (NPS)**



Notes: ¹ MCO = Movement Control Order
² MVNO = Mobile Virtual Network Operator

Outlook for 2021 and Beyond

Challenging macro conditions expected to remain in 2021, with possible future waves of COVID-19 infections

Government announced acceleration of 5G roll out under the MyDIGITAL economy blueprint, and sunsetting the 3G network under JENDELA, both by the fourth quarter of 2021

Continued execution of Transformation Programme via three focus pillars - drive fastest value growth, establish future-proof differentiated core, and igniting the fighting spirit

Continued focus on new growth areas in Home and Enterprise segments; expanding coverage for Home Broadband and evolve our Convergence proposition. Growing Enterprise ICT and solutions portfolio to support Digitisation and capture IR 4.0 opportunities




Deliver consistent network and service experience via implementation of Customer Experience and End-to-End Service Availability and Resiliency programmes

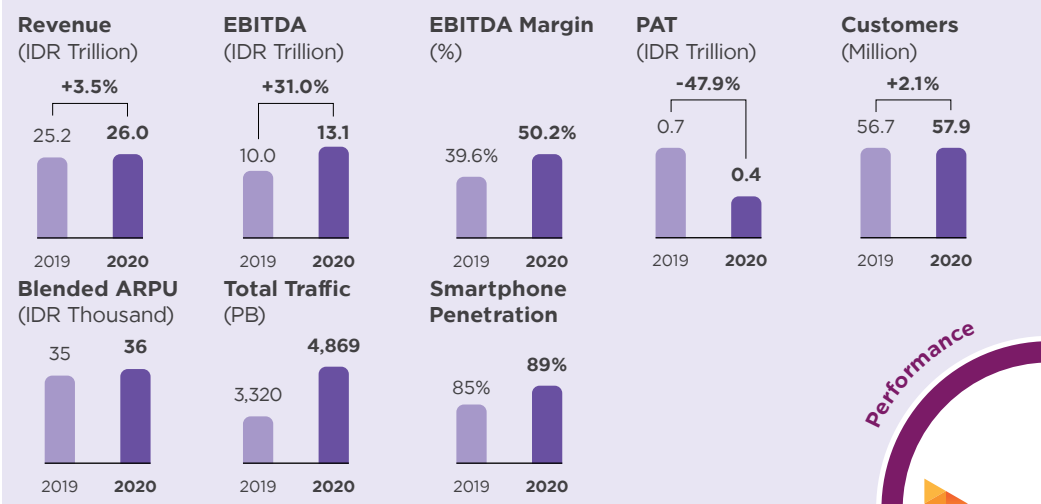
Continue enhancing cost and Operational Efficiency by transforming cost base to deliver YoY improvements in EBITDA and PATAMI

Leveraging on Group's Collective Brain to make smart investments in network and IT towards delivering the best customer experience

Accelerate digital adoption, elevate focus on digital channels as key servicing channels and drive End-to-End Digitisation to become the nation's most inspiring digital organisation

Maintain our commitment to develop the local vendor ecosystem, empowering the underserved in digital economy, and providing equality in education, to fulfil our purpose of Advancing Our Societies and building an Inclusive Digital Nation

 <p>Year of Investment/Shareholding: 2005/66.30%</p> <p>Nature of Business: Mobile</p> <p>Customers: 57.9 million</p>	<p>Technology Deployed: GSM, GPRS, EDGE, 3G, HSPA+, DC-HSPA+, 4G LTE, 4.5G</p>	<p>No. of BTS: 2G/3G : 90,681 4G : 54,297</p>	<p>Network Coverage (by population coverage): 2G Population Coverage : > 92% 3G Population Coverage : > 94% 4G Population Coverage : > 96%</p>	 Scan to watch more from our President Director, XL Axiata	 Scan QR code to visit XL's website
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Trained employees to adopt IR 4.0 technologies in human capital management towards:

- ▶ Improving effectiveness and efficiencies
- ▶ Making data-led decisions

Leveraging on the Collective Brain, incepted a “Crack Team” of key individuals skilled in new technologies such as VoLTE, Cloud Infrastructure and 5G, to further develop internal capabilities

Shared insights on XL's Distributed Core technology plan with all OpCos via Collective Brain to encourage Group-wide adoption

Employee productivity increased by +3.3% in 2020

Employee Engagement Score improved +3pt from 92 in 2019 to 95 in 2020

Collaborated with Directorate General of Islamic Education to **launch digital learning programme for Islamic primary school students**

“Gerakan Donasi Kuota”, a crowd funding programme that **allows customers to donate data packages to schools nationwide, delivered 425 routers and > 96,000GB of data to support 121,200 students access online learning platforms** throughout COVID-19 lockdowns

Contributing to the national Universal Service Obligation programme to bridge the digital divide in remote areas

Strengthened supply chain relationships by encouraging them to practice sustainability principles in their own operations

Launched the **Green BTS programme to optimise XL Axiata's energy usage**

Empowering women by improving their capacities to become agents of change and entrepreneurs via the Sisternet programme - 30,000 members

XL Future Leaders programme - **building a generation of competitive and skilled future leaders - 35,000 students registered in 2020, and 160 were selected**

Developed comprehensive customer policies via:

- ▶ Customer Experience and Service Operation Centre
- ▶ Customer Satisfaction Survey
- ▶ Providing “integrated always on-hand customer service”
- ▶ Providing Customer Care Centre

IAR

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Operating Environment

Exponential increase in data consumption and economic slowdown due to COVID-19

Data usage spiked due to shifts in digital ways of working and learning

Industry competition intensified in the second half of 2020

Tough competition impacted data price

Regulatory improvement due to the Omnibus Law (Job Creation Bill) which positively impacted business landscape

Business Review in 2020

Expanded ex-Java reach by **increasing connected homes by 152%**



26% revenue contribution from ex-Java



Revamped MyXL and launched MyXL Ultimate apps to **increase Monthly Active Users (MAU) by 102.3% YoY**



AXISnet's personalised and dynamic proposition increased MAU by 166%



Success in cost savings and avoidance has led to a 10ppt increase in EBITDA margins, the highest in XL's history



Added > 6,000 capacity sites, upgraded > 6,300 congested sites, fiberised 12,000 sites and optimised 12,500 sites



4G network in 458 cities, with 95% population coverage



Improved network reliability from 97.3% in the first half of 2020 to 99.1% in the second half of 2020



Launched fully digital Live.On, with 35,000 subscribers as of December 2020



Transactional Net Promoter Score (NPS) improved by +10 in the fourth quarter of 2020, driven by proactive network upgrades, new digital support, and refined digital workflows and tools



Strategic partnerships with major ICT players to **enhance XL Enterprise capabilities drove Enterprise client expansion**



Steadily increased fibre footprint in anticipation of 5G roll out



Recognition at the Frost & Sullivan Best Practices Awards:

2020 Indonesia Mobile Service Provider of the Year

2020 Indonesia Mobile Data Provider of the Year

Recognised for outstanding efforts:

Customer Experience Management at the Telecoms Global Summit 2020, CX Network

Top 10 in Indonesia on the 2019 ASEAN Corporate Governance Scorecard (score of 97.5 and above)

Gold Rating at the Asia Sustainability Report Rating 2020 from the National Centre for Sustainability Reporting

Outlook for 2021 and Beyond

Anticipate intense competition in 2021 with increasing demand for data

Clarity expected on spectrum roadmap for 5G with greater visibility on roll out timeline

Expect to grow above market due to higher data contribution to revenue as a result of increased data demand

Focus on profit and cash to improve EBIT, PAT and OFCF

Target to become the first convergence player in Indonesia

Continue pursuing growth in ex-Java

Focus on boosting Enterprise growth via strategic partnerships and integrated ICT solutions

Provide excellent customer service and achieve the highest NPS scores and app ratings

Ensure zero touch deployment in most Network and IT operations

Leverage on the Omnibus Law to share deals and engender growth

Drive cost savings in Network, IT and Procurement through Group-wide synergies via the Collective Brain

Advance our Digitalisation and Analytics agenda:

- Digitisation – implement better self-service and automated tools to reduce customer care costs and digitise distribution operations to reduce distribution opex
- Analytics – expand capabilities beyond data and use cases, and embed analytics into ways of working

Continue to build a productive and agile organisation to adapt to the new normal



Year of Investment/Shareholding:
1995/83.01%

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

Customers:
16.3 million

Technology Deployed:
Mobile:
GSM/EDGE, 3G/HSPA+, LTE/LTE-A, 5G Pilot

Fixed Network:
FTTx, DOCSIS, LTE, WIFI, CDMA, Wibas

DTV:
IPTV, DTH (Satellite TV), ViU mini (Android Stick),
VIU Hub 2.0 (Android TV)

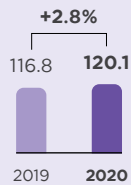
No. of BTS:
2G: 5,727
3G: 3,317
4G LTE FDD: 3,863
4G LTE TDD: 2,437

**Network Coverage
(by population coverage):**
2G: 98%
3G: 87%
Mobile 4G (FDD): 93%
Fixed 4G (TDD): 70%

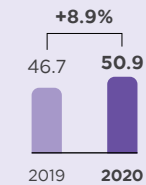


Scan QR code to visit
Dialog's website

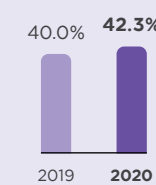
Revenue
(SLR Billion)



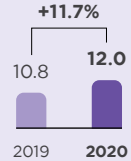
EBITDA
(SLR Billion)



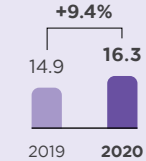
EBITDA Margin
(%)



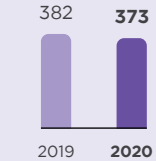
PAT
(SLR Billion)



Customers
(Million)



Blended ARPU
(SLR)



Converted all Learning and Development programmes to Digital Learning – 52 webinars with > 3,500 participants; Online Agile trainings with 350 participants and 236 staff certified; Axiata Analytics Academy with 90 staff; and corporate induction covering > 750 hours

End-to-end automation of HR processes, from hiring to onboarding, for a completely digital and paperless experience

Provided a range of COVID-19 support for staff – swab testing, specialised care centres, special allowances, dry rations and knowledge sharing sessions/safety updates



Saviya - a mobile-based advisory service for dairy farmers to **improve their farming outcomes**



Nenasa 1377 Education Helpline and **Distance Learning initiative** assisted students during COVID-19 school closures



Collaborated with the Department of Fisheries and Aquatic Resources and Department of Meteorology to launch Sayuru, a free SMS and voice message weather warning service for fishermen and coastal communities - **reached > 50,000 users** or **~ 33% of the island's day-boat fishermen population**



Enabled MOH to create video based telemedicine units at 20 hospitals nationwide



Progressed with ISO 14001:2015 Environmental Management System implementation, and successfully concluded the final audit in April 2021. Dialog is the first mobile operator in Sri Lanka to have been formally recommended for ISO 14001:2015 certification for their entire scope of operations



Partnered with Ministry of Education to **provide free educational content without data charges** via Guru.lk, e-thaksalawa, Dialog ViU and Nenasa apps



Together with Ministry of Health (MOH), enabled high speed Robotic PCR testing at Bandaranaike International Airport, and **contributed > 4,000 robot arm test kits**



IAR

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GAFS For more details on awards won by Dialog in 2020, please refer to page 18 of the "Awards" section



Operating Environment

Pandemic led to **downturn in the travel, tourism and apparel industries**

Intense competition with aggressive voice and data pricing

Data usage rose on the back of new norms of WFH, **online learning and unlimited pricing**

PAYG¹ rate revised from SLR1 to SLR0.30 per MB

Delays in Gamata Sannivedanaya project by TRCSL² to expand rural coverage

Business Review in 2020

TRCSL awarded **Dialog 40MHz of the 2600 spectrum and 200MHz trial spectrum for 5G pilot**



Launched the first 5G pilot network allowing customers to experience live 5G in Colombo, Kandy and Galle



Dialog created Sri Lanka's revolutionary data package enabling Unlimited and completely worry free usage of YouTube, Social Media and Instant Messaging



Dialog introduced:

- **Dialog Power Plan with enhanced data and roaming deals**
- **“Couple Blaster”, which facilitates unlimited calls and SMS** for Dialog mobile customers, between any two customers



Launched Android TV experience via ViU Hub Mini and ViU Hub 2.0



Expanded fibre footprint to > 4,740 km by end 2020



Increased HBB³ market share by 8.5% YoY to 45.4%



COVID-19 impact resulted in increased HBB which led to revenue improving by SLR810.7 million, partially negated by SLR181.3 million decline in Enterprise revenue due to economic downturn



Foregone DTV revenue from providing free viewing during lockdown and reduced business advertising



Acquired 100% stake in H One (Private) Limited, a Microsoft award-winning tier-one partner, in January 2021



Awards garnered:

Brand Finance's Most Valuable Brand for 2nd consecutive year

SLIM-Nielsen Peoples Awards 2020

- Telecommunication Brand of the Year for 9th consecutive year
- Service Brand of the Year
- Youth Choice – Service Brand of the Year

Leveraging on Digitisation and Analytics for cost savings and delivering superior customer experience:

100% automation of distribution channel activations

80% automation of manual processes

60% automation of all payments

MyDialog self-care customer service app - > 5 million downloads and one of the top mobile apps in Sri Lanka

Digitisation of the retail space via the Dialog Retail Hub platform to **enable > 35,000 retail partners**

Achieved NIST Cyber Security Framework maturity level of 3.53

Notes: ¹ PAYG = Pay As You Go

² TRCSL = Telecommunications Regulatory Commission of Sri Lanka

³ HBB = Home Broadband

⁴ DTV = Digital TV

Outlook for 2021 and Beyond

Capture market share by tapping into new normal opportunities in the Mobile and Fixed markets

Expand Fixed indoor/outdoor coverage to enhance customer service

Focus on product innovations in the Mobile, Fixed and DTV space

Leverage and expand customer base in Fixed and TV segments whilst transforming cost structure

Introduce new digital skills such as AI/ML, Big Data Analytics, hyper-automation, Cloud computing and cyber security to drive business agility and robust growth


Focus on new growth areas of Fintech, Enterprise solutions, Healthtech and Edutech verticals

Roll out of 5G covering Colombo and major cities/hotspots

Focus on analytics-at-the-edge, predictive analytics, making data-based decisions, understanding employee needs and offering personalised solutions

Implement employee leadership development blueprint to identify management opportunities and specialised skills development

Integrating H One into the business to scale up Microsoft Platforms and Enterprise solutions



Year of Investment/Shareholding:
1996/61.82%


Nature of Business:
Mobile Telecom Operator

Customers:
50.9 million

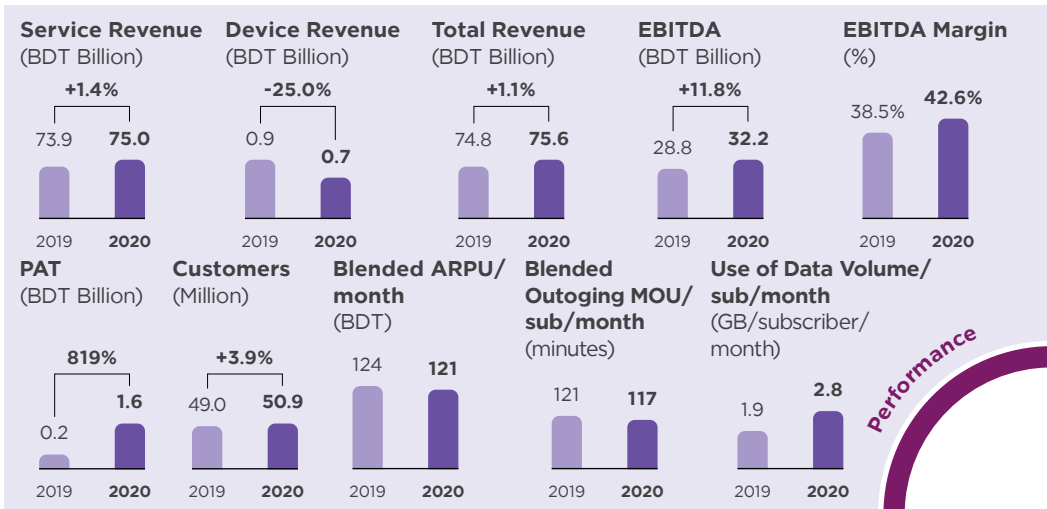
Technology Deployed:
Mobile:
GSM/EDGE, 3G/HSPA+,
LTE/LTE-A

No. of BTS:
2G BTS-13,204
3G BTS-11,338
4G BTS-13,173

Network Coverage (by population):
2G: 99.6%
3G: 92.7%
4G: 97.4%



Scan QR code to visit Robi's website



Prioritised employee health and wellbeing during the COVID-19 pandemic and adopted best practices to facilitate employees to WFH

In line with building a Modern, Agile and Digital (M.A.D.) culture, **101 employees completed a Data Science training programme** designed by Huawei and SAAS covering Python, Machine Learning and Data Analytics, followed by a practical project to ensure application of learnings

Developed app to track Employee Health Info and used the Employee Health Dashboard to strictly monitor those who display COVID-19 symptoms

Each Robi employee attended an average of 29 hours of online training to **build digital capabilities and skills in 2020**, which is 53% higher than in 2019

A total of 1,084 employees, representing 79% of our talent base, **enhanced their digital skills via courses on Coursera**

Bangladesh's largest online school, Robi 10-Minute School, **provided data packages at reduced rates facilitating students' continuing education** throughout COVID-19 school closures, to position Robi as the national champion

333, the national helpline set-up by Robi in collaboration with a2i of the Government's ICT Division and call centre Genx, emerged as the national crisis centre during the pandemic

Introduced digital distribution network to revamp partnership with retailers and distributors

Set up innovation labs in collaboration with the Institute of Business Administration of Dhaka University and Bangladesh University of Professionals **to explore analytics use cases**

Introduced special data packages for university students **enabling them to continue studying online**

Socialbakers recognised Robi as the World's No. 1 Socially Devoted Brand for the first three quarters of 2020, with an average response time of 5 minutes and response rate of 99.8%

Enhanced service delivery by partnering with popular digital start-up eValy

Collaborated with Avlino Cognitive Solution to develop solutions for problematic network cells

Prioritised data privacy and cyber security to provide secure customer experiences

IAR

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Operating Environment

Intensely competitive market with 101% SIM penetration

Competitors **launched new digital entertainment products**

Accelerated digital adoption across entertainment, education and gaming

Increased Internet usage and reliance on data connectivity

Telecom regulator **reduced MNP¹ lock-in period**

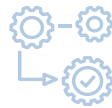
Business Review in 2020

Robi debuted on Bangladesh's twin capital markets

- the Dhaka Stock Exchange and the Chittagong Stock Exchange
- on 24 December 2020, **the largest ever IPO in the country's history**



Leveraged on Operational Excellence to deliver 4.1pp EBITDA margin improvement reaching 42.6%



Sustained **focus on process efficiency, simplification and digitalisation** to optimise cost structure



Service revenue market share **improved +0.7pp, with service revenue growth of 1.4%**



Data usage volume consumption spiked by approximately 67%, and **data revenue surged 26%**



Data user subscribers increased to 69.2% of total subscribers in 2020, from 63.8% of total subscribers in 2019



Surpassed **50 million subscribers** in 2020



Enterprise revenue growth of 1.5%; digital wallet RobiCash revenue growth of 411.0%; and appstore and bdapps revenue growth of 29.1%



Continuously worked with distributor and equipment suppliers to improve services



Partnered with Microsoft for Cloud and Enterprise services



Collaborated with Access to Information programme under Government's ICT division and the Ministry of Health to develop an AI-powered platform to detect and manage the spread of COVID-19



Piloted end-to-end digital distribution with mobile financial services provider Nagad



Became an Axiata "AI Maturity champion" with a score of 39% in AI Maturity Index surpassing the 28% target



Big Data Analytics Maturity at 91%



Won the Telecom Service Innovation award at CommunicAsia 2020 Awards for response to COVID-19



Recognised as 2020 Bangladesh Mobile Service Provider of the Year at the Frost & Sullivan Best Practices Awards 2020



Outlook for 2021 and Beyond

Further growth in data usage expected, along with erosion of data prices

Explore new business opportunities in the Enterprise segment e.g. WFH solutions

Monetisation via the digitalisation of products, campaigns and distribution

Evolve business model in line with changing customer demands

Pare down core connectivity service cost structure to ensure market sustainability

Maintain focus on digitalisation, analytics and innovation

Drive Collective Brain initiatives towards streamlined data production cost and procurement efficiency for Network and IT

Pursue predictive network maintenance measures to ensure better customer experience

Ramp up drive towards becoming a digital organisation with a digital DNA to create scalable impact

Continue journey to become a data-driven organisation via AI-at-scale and AI-at-edge



Pursue collaboration opportunities in the digital domain to fulfil customer needs

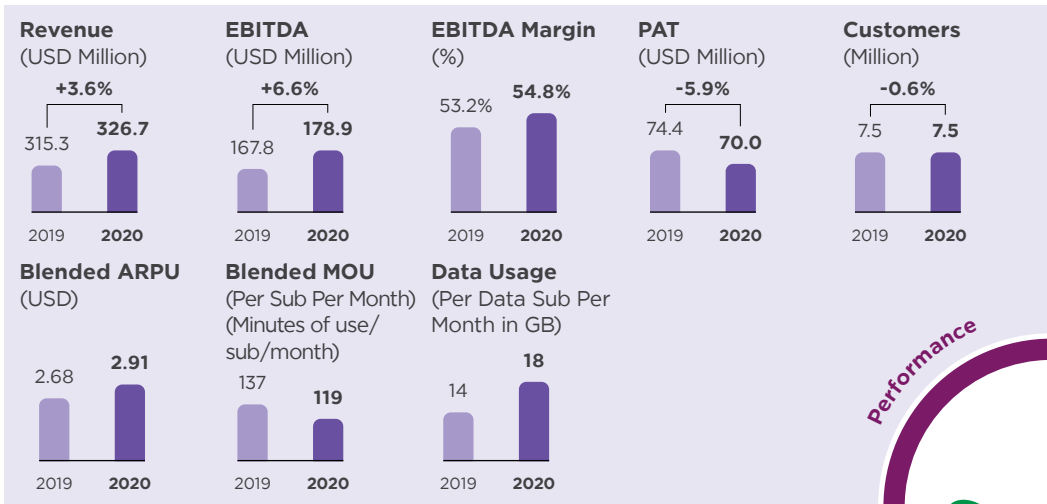
Sustain efforts to engage with stakeholders and reshape the regulatory landscape

Further entrench of M.A.D. culture within the organisation

Focus on project-based resource planning vs traditional function-based planning to facilitate multiple-skill development opportunities for employees

Note: ¹ MNP = mobile number portability

 <p>Year of Investment/Shareholding: 2013/72.48%</p> <p>Nature of Business: Mobile Telecom Operator</p> <p>Customers: 7.5 million</p>	<p>Technology Deployed: Mobile: GSM/EDGE, 3G/HSPA+, LTE/LTE-A</p>	<p>No. of BTS: 2G - 2,828 3G - 2,745 4G - 2,863</p>	<p>Network Coverage (by population and technology): 2G - 98.5% 3G - 81.4% 4G - 91.5%</p>	 <p>Scan QR code to visit Smart's website</p>
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<p>Enhanced leadership skills via Smart Leaders Programme for first line managers and addressed competency gaps via the Information and Technical Division Competency Development Programme</p>	<p>Developed capabilities through Long Term Evolution (LTE) and Centre for International Private Enterprise (CIPE) training, VMware training, Practical OpenStack for Network Function Virtualisation training, English capability development and digital learning via LinkedIn</p>	<p>Enhanced governance and ethics awareness through e-learning modules on Code of Conduct, cyber security, anti-bribery and anti-corruption</p>
<p>Enhanced employee engagement and work culture by continuing the Good to Great journey and launching a refreshed Smart identity including mission, vision and core values</p>	<p>Elevated employer branding visibility for both offline and online channels by launching the Digital and Technical Internship Programme; conducting the Life @Smart working environment campaign via new social media channels; and Cycle 1 of the Smart Brand Ambassador to inspire and engage talents through personal stories of Smart employees</p>	

Launched the USD1 million Smart Axiata COVID-19 Relief Fund which funded 12 projects within four areas - ICT for education; personal hygiene; social distancing; and crisis management

▶ Projects included providing **COVID-19 testing kits; digitising videos for online education; disseminating COVID-19 prevention tips for the underprivileged; and offering free consultations for micro enterprises and start-ups to build their resilience and access financing**



Active industry engagement with Ministry of Posts and Telecommunications (MPTC) and the Telecommunication Regulator of Cambodia (TRC) on the Spectrum Management Sub-decree

Launched the brand campaign, Rise Together, to promote solidarity amongst Cambodians



Launched Online Major and Career Fair with a digital library featuring 100 videos and podcasts covering a wide range of STEM subjects and professions, as well as career counselling services, in collaboration with The Fulbright and Undergraduate State Alumni Association of Cambodia (FUSAAC)

Piloted Smart IoT Challenge Hackathon to boost digital innovation among youth



Expanded product portfolio by partnering with realme, TikTok, Tencent Games, Moonton, Garena Free Fire and DirexPlay - hosted three e-sports tournaments endorsed by E-Sports Federation of Cambodia, with one of the tournaments featuring the country's largest prize pool and event stage

Providing the most affordable and innovative mobile bundles, and digital lifestyle and entertainment leader of international and local content, digital services and promoting local artists through music streaming apps and virtual concerts

Industry leader in cyber security protections and safeguards



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

IAR

- For more details on Smart's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section
- For more details on the value Smart has created during the year, please refer to pages 42 to 49 of the "Towards Becoming The Next Generation Digital Champion" section
- For more details on Smart's financial performance, please refer to page 52 of the "Our Financial Resilience" section

SNCR For more details on Smart's sustainability initiatives and outcomes, please refer to the SNCR

GAFS For more details on awards won by Smart in 2020, please refer to page 18 of the "Awards" section



Operating Environment

Industry competition moderated against strong economic headwinds caused by the COVID-19 pandemic

Data usage increased with an average of 18.2GB/Sub/Month

Data pricing remained stable at approximately USD0.21 cents

MPTC and TRC operated in alignment with each other

Tourism industry downturn impacted roaming business

Business Review in 2020

Data usage increased significantly with GB/Data subscriber consumption **growing > 30% YoY**



Maintained growth in Home/Convergence and Business segments



Smart @Home #2 in the Home Broadband segment



Smart remains #1 in terms of rNPS



Utilised data analytics to generate in-depth customer insights, develop actionable plans and enable better decision making



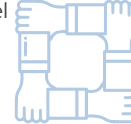
SmartLuy, Smart's digital wallet, received approval from the National Bank of Cambodia and **has merged with Pi Pay**



Preparation for roll out on track subject to spectrum availability



Partnered with various incubation programmes to build start-up ecosystem including the United Nations Development Programme's Bluetribe, SmartSpark, Technovation Girls, Business Model Competition and Mekong Business Challenge



Accolades in 2020:

Global Banking and Finance Review

Best CSR Company Cambodia 2020

Best Telecommunications Company Cambodia 2020

CEO of the Year Telecommunications Cambodia 2020

Decade of Excellence Telecommunications Cambodia 2020

Frost & Sullivan Asia Pacific Best Practices Awards

Cambodia Mobile Service Provider of the Year 2020

Cambodia Mobile Data Service Provider of the Year 2020

Asia Responsible Enterprise Award 2020 - Social Empowerment Category

Outlook for 2021 and Beyond

National Bank of Cambodia and Asia Development Bank projects 4% economic growth for Cambodia in 2021

Tourism industry to remain heavily suppressed

Market is becoming increasingly saturated with high mobile penetration, and being one of the lowest price per GB markets

Following the partial withdrawal of the European Union's Everything but Arms (EBA) trade scheme, the Royal Government of Cambodia has been exploring new partnerships and policies to offset the expected economic shock

The World Bank reported that Cambodia has one of the highest uses of mobile data per capita, with the population devoting 96% of their ICT spending on data services

With more 5G devices becoming available in Cambodia, expectation for 5G spectrum and license to be granted in 2021

Given Cambodia's market dynamics, enhanced mobile broadband (eMBB) and fixed wireless access (FWA) offerings expected to be the main focus at the start of 5G connectivity


Leverage digital technologies and the digital economy to provide products and services that elevate Cambodia's Digital Economy and e-government agenda

Expand 4G network coverage and on track to complete 3G network shutdown to improve user experience

Explore new growth opportunities in Enterprise and Home segments focusing on home office and distance learning

Continue to optimise current site portfolio to provide maximum 4G coverage to customers

Maintain efforts to promote ICT education amongst youth and develop Cambodia's digital literacy and capabilities for coding, literacy and entrepreneurship



Year of Investment/Shareholding:
2016/80.00%


Nature of Business:
Mobile Telecom Operator

Customers:
15.7 million

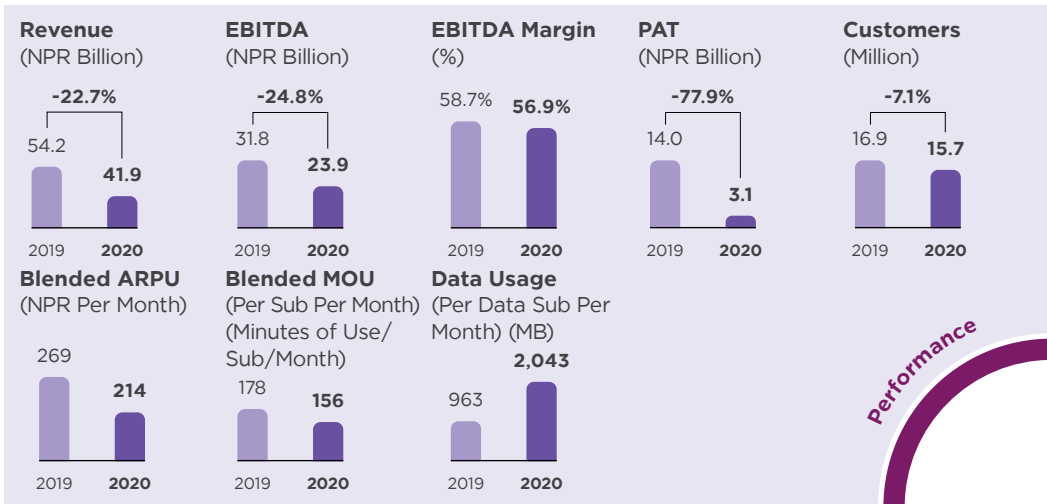
Technology Deployed:
Mobile:
GSM, EDGE, 3G/HSPA+

No. of BTS:
2G: 3,674
3G: 3,294
4G: 3,428


Network Coverage (by population and technology):
2G Population Coverage: 92.47%
3G Population Coverage: 60.91%
4G Population Coverage: 58.14%




Scan QR code to visit Ncell's website




Towers Watson survey indicates **Ncell's improvement in eight human resource areas over 2020**




Adapted to COVID-19 lockdowns by **conducting training and webinars on digital platforms**




Established WFH culture via policies and guidelines, and continuously shared information on COVID-19 related updates




Relocated Ncell headquarters to the new state-of-the-art building, Ncell Icon



Contribution of NPR100 million to the Coronavirus Infection Prevention, Control and Treatment Fund and mass media COVID-19 awareness campaign



Supported the government for Migration Tracking and Contact Tracing, identifying COVID-19 infected people through the USSD and Interactive Voice Response (IVR) survey



Collaborated with Tribhuvan University, Higher Institutions and Secondary Schools' Association Nepal (HISSAN), Private & Boarding Schools' Organization Nepal (PABSON) and National Private and Boarding Schools Association of Nepal (N-PABSAN) for student plan



Greening of Ring Road's Green Belt in the Koteshwor-Kalanki stretch




Setting up of modern digital IT Labs in 60 community schools across the country




Ncell Scholarships and Excellence Awards




Commended for Mass COVID-19 Awareness Initiatives with a Letter of Appreciation from the National Health Education, Information and Communication Centre (NHEICC), Ministry of Health and Population



Received Letter of Appreciation from the Department of Health Services, Family Welfare Division, Ministry of Health and Population **for our contribution to the National Measles-Rubella Campaign 2020**



UNICEF lauded Ncell's support in addressing COVID-19 in Nepal, and our spirit of collaboration in a Letter of Appreciation



Contributed to the government's National Measles-Rubella Campaign



Telemedicine and Health Informatics Programme in collaboration with Dhulikhel Hospital



Ncell Call to Doctor service and Ncell Hotline service for **free COVID-19 consultation with doctors**



Note: All 2019 numbers are post IFRS 9, 15 and 16

IAR

- For more details on Ncell's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section
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Operating Environment

Negative industry revenue growth despite **> 100% data traffic growth** due to COVID-19 impacts

ISP¹ subscribers **increased 35% YoY**

Telco revenue and subscribers declined by 22.7% and 7.1% respectively

Data price/GB dropped due to aggressive pricing strategy adopted by industry players

NTA² proposed Telco Bill in October 2020 without industry consultation featuring provisions inconsistent with global best practices

Business Review in 2020

Performance adversely impacted by prolonged lockdown, spectrum challenges and lower active subscriber base



Opex savings of NPR0.8 billion and capex savings of NPR2.5 billion



Positioned for new norm opportunities via end-to-end customer experience and digitisation



Enhanced retail digital experience and operations by **launching Single Retail App**



Revamped Ncell app and launched an Omni-channel Chatbot to enhance customer digital experience



Increased Enterprise revenue growth by 17.1% YoY due to focus on mobility and non-mobility domain



Launched Fixed Wireless Access (FWA) services in 2020. During the pandemic, **subscribers increased to > 4,500, contributing NPR6.4 million to revenue**



Supported the Government and communities through the pandemic:

In collaboration with the Ministry of Health and Population and UNICEF, conducted a mass COVID-19 awareness campaign to reduce the risk of transmission by **focusing on social distancing, wearing masks and frequent hand sanitisation**

Radio Outreach Programme in collaboration with Community Information Network (CIN), Association of Community Radio Broadcasters Nepal (ACORAB) and Rato Bangla Foundation, **providing rural primary students with learning programmes during school closures**

Launched “Mobile Class Data Pack” in collaboration with Tribhuvan University for **students to continue with online learning during the lockdown**

Conducted Rapid Assessment Survey in collaboration with the Ministry of Women, Children and Senior Citizens and UN Women Nepal **to assess pandemic impacts on their lives**

Notes: ¹ ISP = Internet Service Provider
² NTA = Nepal Telecommunications Authority

Outlook for 2021 and Beyond

Uncertain outlook for 2021 due to global economic downturn and continuation of the pandemic

Strengthen market position with new spectrum and tech neutrality

Improve Network and Digital capabilities, as well as Network NPS

Focus on opex and capex savings and optimisation

Focused digitalisation plan for 2021 to improve digital maturity within the following areas:

- SME App, Regional App, Eagle Eye Dashboard
- Enhancing digital platforms
- Single retailer app adoption
- Enhancing Procurement
- Automation and enhancement of financial processes
- Targeting digital recharge improvement

Simplify product portfolio and improve product profitability

Focus on the four key pillars of Engagement, HR Processes, Employee Productivity and Learning towards becoming a M.A.D. organisation

Leverage on the Collective Brain with plans to conduct a Collaboration Survey

Grow the Home segment via innovative FWA bundled services and expand sales channels

Drive Enterprise growth through fibre connectivity and managed services

Expand digital services with entertainment, content, digitalisation and VAS portfolio

Remain committed to CSR projects focusing on the environmental and climate change agenda, education and health

Continue engaging with the Government and regulators for a more sustainable regulatory landscape



Year of Investment/Shareholding:
2012/63.00%

Nature of Business:
Telecommunications Infrastructure and Services




Scan to watch more from our Chief Executive Officer, edotco Group




Scan QR code to visit edotco's website

Revenue
(RM Billion)




2019 2020

Revenue Growth (%)




2019 2020

Tenancies
(No. of Tenancies)




2019 2020

Tenancies Growth (%)



2019 2020



Performance

People

Partnership

Planet & Society

Achieved carbon footprint **reduction of 58%** per site, verified by SIRIM QAS

Since 2018, **planted ~ 38,000 trees** and **recycled/reused ~ 60,000kg waste regionally**

Obtained Patent Certificate for bamboo tower invention from the Department of Patents Bangladesh

Implemented green office initiatives at 70% of edotco's regional offices

Employee Voluntary Engagement Programme (EVE):

- 900+ Carbon sequestered** from 23,650 trees planted and 25,405kg recyclables collected
- Two socially driven programmes **supporting UN SDG 2 zero hunger goals**

Recognised for "Engaging Leadership" at the "Kincentric's Best Employers Award" 2020

Enhanced employee experience via futuristic digital and Artificial Intelligence tools - HR Chatbot, Onboarding Gamification, Mobile Learning Hub, fully automated 360 feedback tool, Robotic Process Automation

Rolled out "Technical Career Framework" for technical experts across the Group

Partnered with Melbourne Business School to **launch flagship "edotco Talent Acceleration Programme" (eTAP)** focusing on key Middle Management talents and Rising Stars

Partnered with SIRIM to develop the SIRIM Product Category Rules Standards providing guidelines for the eco-labelling of telecommunications sites

Tower Preventive Maintenance completed for 42% of edotco portfolio with 450 sites conducted via drones

First 5G private network launched at Langkawi International Airport

ISO 45001:2018 Occupational Health and Safety Management System certification awarded to edotco Malaysia, OnSite, edotco Bangladesh and edotco Myanmar

Obtained the **Malaysia Technology Excellence Award 2020 for "Telco Analytics"** for the Network and Planning Analytics (NaPA) unit

Tower Portfolio

Malaysia	Sri Lanka	Bangladesh	Cambodia	Myanmar	Pakistan	Laos
4,682 Towers Owned	236 Towers Owned	10,790 Towers Owned	2,836 Towers Owned	2,122 Towers Owned	1,649 Towers Owned	14 Towers Owned
8,144 Towers Managed	239 Tenancies	1,088 Towers Managed	1,000 Towers Managed	1,026 Towers Managed	2,139 Tenancies	14 Tenancies
9,217 Tenancies	1.01x Tenancy Ratio	15,381 Tenancies	3,894 Tenancies	4,286 Tenancies	1.30x Tenancy Ratio	1.00x Tenancy Ratio
1.97x Tenancy Ratio		1.43x Tenancy Ratio	1.37x Tenancy Ratio	2.02x Tenancy Ratio		

IAR • For more details on edotco's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section

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Operating Environment

TowerCo/Telco industry **one of the first and quickest sectors to recover from COVID-19 impacts**

Led by global market dynamics, infrastructure industry in ASEAN and South Asia predicted to **attract significant low-cost capital from global investors/funds**

Mobile network operators carving out TowerCo groups throughout edotco's operating markets

Enhanced interest leading to **increased competition and asset price**

Business Review in 2020

Rigorous cost control led to **capex and opex savings of RM56.0 million**



Strong cash collections from anchor tenants up by 10% YoY



Grew portfolio with gross adds of +2,413 B2S¹ and +1,061 colocations
Grew IBS² colocations and tenancy by 10% and 5% respectively

Improved tower overloading resolution by 40% YoY

Strengthened commitment to sustainability by **operating a total of 1,694 sites using renewable energy** and **54 structures built from alternative materials**



Complete solarisation of 3,000 sites by December 2021 across the footprint



Partnered with PNB³ in Malaysia to equip the Merdeka 118 Tower with next generation telecommunications technology solutions



Deployed first solar powered lamp pole in Sri Lanka



First TowerCo to provide ultra lite solutions built using bamboo, catering to network congestion in Myanmar's cities



Secured 300 Just Nice Towers to **increase network coverage in rural Cambodia**



ISOC edotco Towers Inc⁴ received 5-year ITC⁵ Registration authorisation from the Philippines DICT⁶



PTA⁷ awarded Telecom Infrastructure License to edotco Pakistan



Frost & Sullivan's 2020 Asia Pacific Telecoms Tower Company of the Year for the 4th consecutive year



Aggressively drive growth through innovative solutions, offerings and dynamic commercial models



Pursue tower and other ancillary services such as energy solutions and cater to capacity demand as part of our future-proofed solutions



Build analytics driven quality B2S and push for colocation enhancements



Established NaPA unit to provide insights into potential locations for new tower sites and reduce build time in Malaysia, Bangladesh and Pakistan



Outlook for 2021 and Beyond

Continue with NaPA deployment throughout footprint countries

Focus on inorganic growth by cementing our market leadership through sale and leaseback initiatives, bite-sized M&A deals and opportunistic entries into new markets

Drive execution of Energy Billing Automation project across all National Tower Companies (NTCs)

Launch the edotco Green Scorecard across all regional NTCs

Develop Fixed Energy Model, targeted go-to market by December 2021

Formed Centre of Excellence comprising Business Analytics and Data team for data management and predictive analysis

Launch the edotco Apprenticeship Experience with 10 apprentices in partnership with the Ministry of Youth and Sports

Sustainability targets for 2021:

- 63% carbon reduction from green solutions, structures and tree planting programme
- Plant 215,000 trees
- Impact 11,000 families via Tower 2 Community
- Impact 44,000 lives through Humanitarian Response Programme
- Scale up to four socially driven EVE programmes supporting UN SDG 2

Notes: ¹ B2S = Build-to-suit
² IBS = In-Building Solutions

³ PNB = Permodalan Nasional Berhad
⁴ ISOC edotco Towers Inc is a partnership formed between ISOC Holdings and edotco in 2019

⁵ ITC = Independent Tower Company
⁶ DICT = Department of Information and Communications Technology

⁷ PTA = Pakistan Telecommunication Authority

AXIATA DIGITAL

Year of Investment/Shareholding:
2014/96.47%

Nature of Business:
Investment Holding and Operations of Digital Services

What We Do

Axiata Digital (AD), the digital services arm of Axiata Group Berhad (Axiata), was established to support the increasingly digital lifestyle of Axiata consumers. AD's role has evolved from an investor of 30 brands to a business operator with portfolios concentrated on three strategic businesses namely Digital Financial Services (Boost, Aspirasi), Digital Advertising (ADA) and Digital Platform (Apigate) to support global customers. Axiata

Digital is supporting the digital lifestyle with digital financial services such as e-wallets, micro-financing and micro-insurance, digital advertising that use data driven solutions to enhance business success, and platform services on API's (Applications Programming Interface) that redefine the way businesses communicate with consumers.



Scan QR code to visit Axiata Digital's website

Performance

- Overall GTV grew ~ 55% from 2019 to 2020 despite lockdown challenges
- Aspirasi:
 - 5.4x growth in total financing disbursed
 - Average ticket size increased 3.4x
- Boost:
 - 100% growth in overall GTV
- ADA:
 - ~ 40% growth in revenue
- Apigate:
 - 52% growth in GTV and increase in net revenue of 31%

People

- WFH setup and virtual events
- Invested in talent to grow competencies, capabilities and capacity
- Learning and development opportunities via LinkedIn Learning and online seminars

Partnership

- Aspirasi:
 - Partnership with CIMB
 - Financing for Boost merchants
- Great Eastern's (GE) USD70.0 million strategic investment in Boost Holdings, the largest fintech investment in Malaysia
- Apigate entered into bilateral partnership to tap into the Indian e-wallet market via Paytm/One97, thus expanding its business footprint

Planet & Society

- Boost:
 - Micro-SME (MSME) e-Commerce Campaign - > 15,000 merchants onboarded
 - One of the three selected partners for e-Tunai and e-PENJANA
- Aspirasi:
 - Aspirasi Assist - > 25,000 Boost merchants; 45,000 merchants financed in total
 - Conducted joint CSR programme, RHB Best, to empower Muslim micro-SME owners from the B40 segment

Operating Environment

More competitive e-wallet landscape

Need for supply chain financing increased during the year, while demand for working capital financing (WCF) tightened due to the pandemic

Shift towards cashless ecosystem, with strong emphasis on online presence

Greater demand for business digitalisation benefited Boost and ADA

Interest building up around Digital Banking license

Business Review in 2020

Recorded revenue growth for Boost, Aspirasi, ADA and Apigate

ADA recorded positive PAT for the whole year, despite some projects being put on hold due to the COVID-19 pandemic

Within loan disbursement, **strong growth in Indonesia, recording 15% Month over Month growth**

Transforming the digital business by forming Boost Holdings Sdn Bhd (Boost Holdings), which comprises Boost, Aspirasi and Apigate (a global digital monetisation and customer growth solutions provider)

Recorded a key milestone with GE's strategic investment of USD70.0 million (RM294.0 million) for a 21.88% stake in Boost Holdings, the largest fintech investment in Malaysia

Sharpened our **focus on building and enhancing our digital financing services brand** using digital technologies and our telco assets to serve the underserved

On track with Operational Excellence

ADA **well positioned to capitalise on the growing need** for business digitalisation, consumer insights and attribution

Aspirasi **leveraging on digitisation and analytics** by building Tableau dashboards

Expanded into new areas of growth via:

New micro-insurance products by Aspirasi

New micro-financing products with Aspirasi Assist

Expansion of micro-insurance to Aspirasi Indonesia

Enabling interoperable QR payments

Continuously engaged with key stakeholders such as the Ministry of Finance and Malaysia Digital Economy Corporation

Launched the Micro-SME e-Commerce Campaign

Aspirasi signed Memorandum of Agreement with SME Corporation to **provide micro-financing for Malaysian SMEs**

Outlook for 2021 and Beyond

- Expectations for cashless systems and stronger emphasis on online presence to persist
- Boost to increase focus on merchant acquisition and merchant solutions, as well as expand the interoperable DuitNow QR
- Aspirasi to focus on growing WCF
- Expect ADA projects to resume in 2021
- To refine Axiata's proposition for a Digital Bank and submit licence application to the regulator
- Plan resource allocation accordingly to establish the Digital Bank
- To engender growth by leveraging on products, services and channels available across Boost Holdings
- To further digitise operational tasks
- Aspirasi to leverage on Machine Learning models for credit scoring
- Explore new growth areas – Boost merchant solutions, "Buy Now Pay Later" and micro-insurance business
- Expand analytics training for our talents, to further build capabilities

Note: The rate of issuance of shares in RM was USD1 = RM4.2

IAR

- For more details on Axiata Digital's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section
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SNCR

For more details on Axiata Digital's sustainability initiatives and outcomes, please refer to the SNCR

GAFS

For more details on awards won by Axiata Digital in 2020, please refer to pages 18 to 19 of the "Awards" section



Year of Investment/Shareholding:
2017/75.36%

Nature of Business:
Digital Financial Services Company Providing e-Wallet Services

What We Do

A proudly homegrown venture, Boost is Malaysia's own rewarding lifestyle e-wallet that is revolutionising consumers' daily transactions, in line with the Government's agenda of a cashless society. Backed by Axiata's vast expertise in digital technology, Boost is at the frontier of the Malaysian digital economy and is now the country's preferred lifestyle e-wallet. As a relatively new industry, Digital Financial Services (DFS) is regulated by Bank Negara Malaysia (BNM). Over the past year, Boost has worked closely with BNM to raise public awareness and build up this nascent space.

While keeping to the sound practices of any business operating in the financial sector, Boost is also a disruptor that is reimagining the future of the country and taking bold steps to drive the adoption of a cashless ecosystem that makes daily transactions simpler and more rewarding, as well as safer, secure and more transparent. In keeping with its ambition, Boost is continuing to provide DFS for underserved and unbanked Malaysians, with the hope of transforming itself together with other Axiata Digital subsidiaries, into a Digital Bank of the future that offers a wider range of services.



Scan QR code to visit Boost's website

- Merchant growth of 1.8x YoY
- Secured partnerships with Government ministries and leading consumer brands
- Expanded reach to more local councils by providing the first e-wallet integration payment service with the Seberang Perai Municipal Council to conduct tax assessments, stall rentals and parking compounds payment online
- Introduced cashless Zakat payments in Selangor, Kedah, Wilayah Persekutuan, Pahang, Negeri Sembilan and Sabah

- Recognised as a leading e-wallet supporting the Government's PENJANA Economic Recovery Plan through the RM50 ePENJANA Credits Programme
- Micro-SME e-Commerce campaign in collaboration with the Malaysian Digital Economy Corporation for smaller tier merchants to pivot from offline to online business models
- Shop Malaysia Online initiatives

Performance

- Engaged customer base
 - Over 8.8 million e-wallet users
 - > RM400 per week Gross Transactional Value (GTV) per active user
 - Almost 40% using 4 use cases or more 4 percentage point increase in number of active user using more than 10 merchants
- Rolled out new use cases targeting customers' daily behaviour and lifestyles
- Growing merchant asset
 - > 224,000 merchants on Boost Malaysia
 - > 60% are cash only (micro-nano)
 - Successful digitisation campaign: 15,000 micro-SMEs onboarded
 - Cross-selling of financial services: micro-loans and insurance
 - Improving financials
 - GTV grew approximately 2x

People

- Boost Malaysia senior management member selected for Axcelerator 2020 programme¹
- Designed middle management and specialists development programme to be launched in 2021
- Introduced WFH solutions with emphasis on the right environment, tools and resources
- Deeper focus on continuous talent engagements, to support employees' mental health and wellbeing, and sustainable work-life balance

Partnership

- Supported PENJANA initiative by encouraging local businesses to digitise operations under the SME Digitalisation Grant by Ministry of Finance/Bank Simpanan Nasional in partnership with Celcom as the official Technology Solutions Provider
- Partnered with Setel, Malaysia's first mobile application that creates seamless on-the-go refuel and retail experience for PETRONAS customers, by driving interoperability between the two platforms with Setel fully integrated into the Boost app

Planet & Society

- Introduced "Tabung COVID-19 by Boost" during the MCO to aid medical frontliners and families of COVID-19 patients, and reintroduced it in November 2020 to assist Sabah's fight against the pandemic
- Introduced "30 Days 30 Practices" (30H30A) initiative during Ramadhan as part of the #DoGoodWithBoost campaign to channel donations to the underprivileged
- Collected > RM1.2 million from "Tabung COVID-19 by Boost" and 30H30A

Operating Environment

Wider acceptance of e-wallet usage from the public due to the COVID-19 pandemic

Increase in new players in the electronic payment business

Further regulatory scrutiny in line with growth of payments sector

More investment in compliance systems for e-Know Your Customer (KYC), sanctions lists, data feeds and screening

Greater investment in infrastructure expansion

Business Review in 2020

Partnered with Great Eastern to launch eight digital insurance products, including Pay with Coins for insurance policy redemption

Improved internal analytics resources to support the business and introduced the Amazon Web Services (AWS) cloud-based Data Lake to address growing need for data analytics and deeper insights

Conducted Merchant Satisfaction Survey to measure merchant satisfaction over our support quality

Execution of real-time monitoring activity substantially reduced fraud which enabled Boost to garner the confidence of regulators that provided the approval to increase our wallet size in accordance with BNM's Interoperable Credit Transfer Framework and customer spending

Partnered with 15 financial institutions for digital payments

Delivered right quality products via Squad Model and **improved go-to market product strategy** via Release Train process

Elite Team to **manage Premium Users with one day turnarounds**

Established robust merchant ecosystem to digitally enable and transform businesses – Boost Business Payment Link, SME Digitalisation Grant

Improved Partner Refund Service Level Agreement from 14 days to seven days

Implemented App Performance Monitoring to measure health of use cases of Boost App and ensure 99% availability

Engagements with BNM - Fraud Steering Committee Meeting on Electronic Payments Fraud Risk 2020; E-Money Association Malaysia

Outlook for 2021 and Beyond

- Continue to build an interoperable and vibrant cashless ecosystem towards a more digital and financially inclusive Malaysia
- With increasing regulatory scrutiny, Boost has competitive advantage over potential new entrants in terms of managing compliance risk, regulatory requirements and implementation of foundational security controls
- Continue to develop and monetise fintech assets, digitalise merchant base from offline to online, and expand partnerships for more cashless and contactless customer solutions
- To become the preferred omnichannel platform for digital payments and financial services amongst businesses and consumers
- Introduce Live Chat feature providing real-time support channel for users with Chatbot enabling automation and self-service availability, and improve SMS performance while saving costs
- Conduct Customer Satisfaction Survey to gauge satisfaction levels on agents' support quality
- Introduce Merchant Portal project to maintain and manage merchant information on a single platform
- Launch new Digital Insurance products, and expand product portfolio to address other insurance needs
- Growing the base of financial services users by employing a content strategy for personal finance education
- Exploring partnerships to enable additional services such as investment options for the everyday Malaysians
- Adding new stakeholders to support the Retail Payment Services
- Continue to strengthen risk and compliance function towards building a robust corporate governance culture

Note: ¹ Axcelerator 2020 is a talent development programme designed by Group Talent specifically for Group-wide Senior Management personnel

IAR • For more details on Boost's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section
• For more details on the value Boost has created during the year, please refer to pages 42 to 49 of the "Towards Becoming The Next Generation Digital Champion" section

SNCR For more details on Boost's sustainability initiatives and outcomes, please refer to the SNCR
GAFS For more details on awards won by Boost in 2020, please refer to page 18 of the "Awards" section



Year of Investment/Shareholding:
2016/100.00%

Nature of Business:
Fintech Financier and Insurtech Provider

What We Do

Aspirasi is an end-to-end digital financial services platform that serves and empowers micro-enterprises and SME businesses. We offer a range of micro-financing solutions such as working capital financing (WCF), supply chain financing (SCF) and invoice financing, along with micro-insurance products that include

credit insurance, health insurance and term life insurance. Our aim is to help the underserved community achieve their business goals, while providing support on their journey of dynamic financial growth.



Scan QR code to visit Aspirasi's website

Launched Special Programmes

- Aspirasi Assist - RM150 million COVID-19 microfinancing assistance programme, co-funded by the Ministry of Finance (MOF) and Axiata to support small enterprises during the pandemic
- Kongsi Klub - referral programme offering rewards for inviting non-tech savvy small enterprises owners to obtain Aspirasi products and services

Launched 15 New Insurance Products

- Providing utilities (Bills, Credit Cards), medical, SME and travel protections across three platforms (Aspirasi, Boost, Celcom)

Customer Support Initiative

- Rescheduling and Restructuring (R&R) Loan Moratorium - programme to alleviate the financial strain of existing customers during the pandemic

Performance

- Microfinancing
 - Total Financing GTV increased by 5.4x
- Microinsurance
 - Increased number of products from three in 2019 to 18 in 2020
 - Developed robust pipeline of policies to meet the diverse needs of our customer base
- Served > 23,000 SMEs in 2020, from 7,500 SMEs in 2019, an increase of 3x

People

- Assisted employees transition to WFH with various support - WFH allowances; care packages; employee engagement app, Feet's App; 24/7 counselling services hotline; online seminars
- Conducted year end employee feedback survey
- Encouraged the use of online education programmes such as LinkedIn Learning and Coursera

Partnership

- Partnered with RHB Islamic Bank for the RHB Best Programme to empower Muslim micro-SME owners from the B40 segment by providing them with ~RM250K of financial assistance in the form of cash grants
- Partnership with Great Eastern for microinsurance
 - Co-developed new and affordable microinsurance products for consumers, micro-entrepreneurs and SMEs
 - Provided SME OwnerProtect-X as an add-on to Aspirasi Assist to insure approved applicants

Planet & Society

- Entered into partnerships to provide various financial assistance programmes and initiatives that help small businesses stay afloat during the COVID-19 crisis
- Partnered with a wide range of companies to expand access to financing including BAT, SMECorp, Foodpanda, PosLaju and Tesco

Operating Environment

COVID-19 accelerated the shift towards a cashless and digital ecosystem, **with stronger emphasis on maintaining an online presence**

Volatile and uncertain economic environment left SMEs struggling to sustain their operations, as they accelerated their business digitalisation to remain relevant

With many customers unable to secure traditional loans, significant shift towards applications for short-term loans with **smaller amounts, shorter payment cycles and lower interest rates to cover immediate business needs**

Supportive regulatory environment towards sustaining SMEs, with MOF and BNM extending policy support and the Ministry of Housing and Local Government designing an updated Digital Moneylending License to meet new norm requirements

Due to COVID-19, the formal digital bank licensing framework was delayed. However, application process should be back on track by mid-2021

Business Review in 2020

Aspirasi successfully transitioned to the sector's open market, attending to all ex-Axiata customers to remain competitive

Honoured with the Fintech Award under the Financial Services category at the Malaysia Technology Excellence Award 2020

A supportive employer, **helping our people with difficulties faced in transitioning to WFH**, and further built our employer brand and workplace culture

Positioned for new norms with micro-lending and micro-insurance products

Through our 100% digital presence and marketing efforts, have **created a lean cost structure that maximises customers' accessibility**

Advanced visualisation on commercial excellence using Tableau

Continuously fed customers performance data and alternative data into the Machine Learning model, to improve the accuracy and effectiveness of our credit scoring process

Aspirasi Assist offered Shariah-compliant microfinancing at concessional interest rates, as well as bundled micro-insurance coverage for underserved communities

Successfully expanded our customer base through the Kongsi Klub referral programme

Provided convenient, efficient and unmatched customer service, by leveraging on algorithmic lending using alternative data sources. This has resulted in Aspirasi's three-minute digital journey and 24-hour instant approval and fund disbursement

Provided online education platforms and launched online seminars for all employees to upskill themselves

Outlook for 2021 and Beyond

- Economic difficulties expected to persist, with demand for microfinancing services and business digitalisation support services to continue into 2021. In light of this, Aspirasi's micro-financing and micro-insurance products remain highly relevant, and Kongsi Klub's efforts to bridge non-tech savvy SME business owners to our digital lending platform is crucial in keeping these SMEs competitive
- Expect regulatory authorities to remain as key allies in our efforts to provide financing solutions to underserved segments. A key area is the Consumer Credit Bill which is currently being drafted
- To retain our competitive edge, Aspirasi will continue to leverage on the expertise, data and customer base of Axiata OpCos to maximise marketing and outreach efforts
- Will loosen requirements for Aspirasi's WCF products upon the mass distribution of the COVID-19 vaccine
- Plan to engage closely with BNM to submit application for Digital Bank license
- Strengthen our employer proposition via:
 - Increasing leadership accessibility through monthly Aspirasi townhalls
 - Increasing focus on individual learning and development
 - Continue efforts to support employees to WFH
 - Further expanding our team
- Continue to scale our financing book to meet the demand for financing from underserved SMEs
- Continue optimising our unit economics on each financing product to drive positive margins
- Drive towards deeper sophistication of our Machine Learning models to expand the pool of SMEs eligible for financing
- Launch "Buy Now Pay Later" in collaboration with Boost, which will allow Boost to purchase goods and services by instalments or paying at a later time
- Continue collaborations with existing partners and seek out new synergetic partnerships to drive growth

IAR

- For more details on Aspirasi's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section
- For more details on the value Aspirasi has created during the year, please refer to pages 42 to 49 of the "Towards Becoming The Next Generation Digital Champion" section

SNCR

For more details on Aspirasi's sustainability initiatives and outcomes, please refer to the SNCR

GAFS

For more details on awards won by Aspirasi in 2020, please refer to page 18 of the "Awards" section



Year of Investment/Shareholding:
2014/78.81%

Nature of Business:
Integrated Digital Advertising, Digital Analytics, and Artificial Intelligence Agency

What We Do
ADA is a digital analytics and artificial intelligence company that designs and executes integrated digital, analytics and marketing solutions.

Operating across nine markets in South and Southeast Asia, ADA partners with leading brands to drive their digital and data maturity, and achieve their business goals.



Scan QR code to visit ADA's website

We are anchored on the following main services:

- Providing business insights, data enrichment, and advanced analytics
- Understanding the consumer mindset and designing data-driven creative marketing strategies
- Executing end-to-end digital marketing solutions for growth hacking, funnel optimisation and goal optimisation

ADA complements its unique digital expertise with deep proprietary data of 375 million consumers

- 600+ data scientists, digital media gurus, industry experts and management consultants
- Helped 1,719 clients to achieve their business goals

Performance

- Strong YoY EBITDA growth of 161%
- Remained PAT positive with 7x YoY growth

People

- Expanded "Grow X/Y" Learning Programmes by providing Coursera certification and special courses for learning content affiliated to universities and leading institutions
- Provided LinkedIn Learning access to all employees for on-demand learning and skill enhancement
- The Mentorship Programme provided team members with opportunities to build middle/long-term mentor-mentee relationships with colleagues for personal growth

Partnership

- Ventured into new partnerships with Cosmose, Tealium and Meiro to deepen our data, analytics and insights offerings

Planet & Society

- Led various COVID-19 relief efforts within our South and Southeast Asia markets that included:
 - Food and grocery distribution to economically impacted persons and refugee families
 - Donation of personal protection equipment and medical supplies to hospitals
 - Collaborations with artists and local media to create awareness and raise funds

Operating Environment

Due to COVID-19, clients scaled down marketing budgets, but 78% of clients focused more on digital¹, to increase prioritisation on the areas following post-pandemic:

Customer insights
27%

Attribution
17%

Sectoral marketing trends in 2020:

Increased marketing investment
e-Commerce

Maintained marketing investment
Electronics, Telco, Consumer Packaged Goods, and Banking, Financial Services and Insurance

Reduced marketing investment
Airlines, Retail and Automotive

ADA competing against other digital agency players, data and analytics players, digital media inventory players and digital distribution players

Business Review in 2020

Built a strong and credible reputation in the industry, garnering **54 award wins in 2020**, a 4x increase from 2019. Key awards won include:

Campaign Asia Agency of the Year 2020, Asia Pacific
Winner for Asia-Pacific Tech Agency of the Year for the second year running; Winner for Southeast Asia Independent Agency of the Year; Bronze for Data Agency, Southeast Asia Specialist Agency of the Year

The Drum Digital Advertising Awards APAC 2020, Asia Pacific
Awards for Most Effective Media Agency, Best Ad Ops Team, Most Effective Use of Data, Best Campaign on an e-Commerce Platform, and Highly Commended for Best Use of Performance

Mob-Ex Awards 2020, Asia Pacific
Winner for Best of Show, Agency; Gold awards for Best Use of Mobile in Customer Engagement, Lifestyle/Entertainment, Best Insight-Driven Mobile Campaign, Best Use of Mobile (Beauty) and Best Use of Social Media

Asia e-Commerce Awards 2020, Asia Pacific
Gold award for Best e-Commerce Consultant

Optimised processes across sales, product, delivery and commercials

Drove automation across Finance and HR processes

ADA recorded the following **big data analytics (BDA) and Artificial Intelligence (AI) maturity assessment results:**

BDA: **92% vs target of 87%**

AI: **39% vs target of 25.9%**, a leading position compared to peer groups

Rolled out new products, data and analytics capabilities - Consumer Insights Explorer, Location Planner, Video Analytics and Creation Engine, and Credit Scoring

Conducted eTunai campaign for Boost Malaysia

Have continued to service Tourism Authority of Thailand for three consecutive years, from 2019 till 2021

Conducted nine webinars helping businesses manage COVID-19 impacts, and reached out to > 5,000 marketers and decision makers

Hosted a one-day virtual conference attended by > 1,000 business leaders, decision makers and marketers around the world

Held our first Virtual Leadership Conference for 151 leaders across our nine markets

Provided flexible working arrangements to accommodate employees' life and family needs, and basic maternity leave

Provided WFH benefits for employees

¹ Source: ADA Client Survey (May 2020)

IAR

- For more details on ADA's performance, please refer to pages 15 to 29 of the "In Conversation With The President & Group Chief Executive Officer" section
- For more details on the value ADA has created during the year, please refer to pages 42 to 49 of the "Towards Becoming The Next Generation Digital Champion" section

SNCR

For more details on ADA's sustainability initiatives and outcomes, please refer to the SNCR

GAFS

For more details on awards won by ADA in 2020, please refer to pages 18 to 19 of the "Awards" section



Amber Chanbopha
Sr. Risk Management & Compliance
Smart Axiata

Inspiring others around me
to avoid single-use plastics.

#ItBeginsWithMe

**HOLDING
OURSELVES
ACCOUNTABLE**

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 2020 and up to the date of publication of this IAR, outlining how Axiata complies with the three principles, 32 practices and four Step-ups of the Malaysian Code on Corporate Governance 2017 (MCCG 2017) during the year under review.

This statement has been made in accordance with the authority of the Board dated 25 March 2021 and finalised and updated until the date of the publication of the Integrated Annual Report (IAR) 2020 with delegated authority to the Board Annual Report Committee (BARC).

This statement is complemented with 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 <https://www.axiata.com/sites/default/files/docs/Axiata-Group-Berhad-Corporate-Governance-Report-2020.pdf> as well as via an announcement on the website of 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 2020 (GAFS) and the Sustainability and National Contribution Report (SNCR) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2020 and continuing until the date of this IAR 2020, the Company has complied with the provisions of the MCCG 2017 save for Practice 4.5 and Practice 7.2 and Practice 7.3, respectively relating to disclosure on gender diversity and senior management remuneration as well as the Step Up on all Independent Non-Executive Directors on 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 and professional background (refer page 88) 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 2017, 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

At its Meeting on 20 February 2020, the Board resolved to re-name the Board Risk Management Committee (BRMC) to the Board Risk and Compliance Committee (BRCC). This change was to better reflect the expansion to the scope of the committee to encompass not just matters of risk but matters of compliance as well. The areas of responsibility for the BRCC encompass Enterprise Risk Management, Compliance, Ethics, and Cyber Security and Data Privacy. The additional functions of Compliance and Ethics have been combined with the existing Enterprise Risk Management function to provide an integrated focus on all risk and compliance matters, directly and indirectly, and a single, consistent interface with all other functions in the organisation and in the OpCos.

This expanded role followed the introduction of corporate liability brought about by Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020. The provision of corporate liability will render directors and senior management personally liable for acts of corruption committed by the company, either by personnel or parties acting on behalf of the company unless the company has in place "adequate procedures" designed to prevent persons associated with it from undertaking such conduct. Axiata has put in place such a framework. The purpose of compliance management is to ensure the Group complies, in letter and spirit with all the laws, regulatory requirements and internal standards of protecting our company and management and supporting our employees in doing the right things, detecting and responding to situations of potential non-compliance and driving a corporate culture of integrity.

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 For more details on the Board of Directors and the Board's role and activities during the year, please refer to pages 82 to 100 in the "Holding Ourselves Accountable" section

▶ Effectiveness

The 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 For more details on Board activities, please refer to page 94 in the "Board Committees" section

▶ Accountability

The Audit Committee plays a primary role in supporting the Board's compliance with the accountability principles. It takes responsibility for assessing whether the Company's position and prospects are fair, balanced and understandable, monitoring the integrity of corporate reporting, ensuring that the necessary safeguards are in place through effective risk management and internal control systems and advises the Board in this regard. Additionally, the Audit Committee regulates its relationship with the external Auditor through a number of policies and procedures.

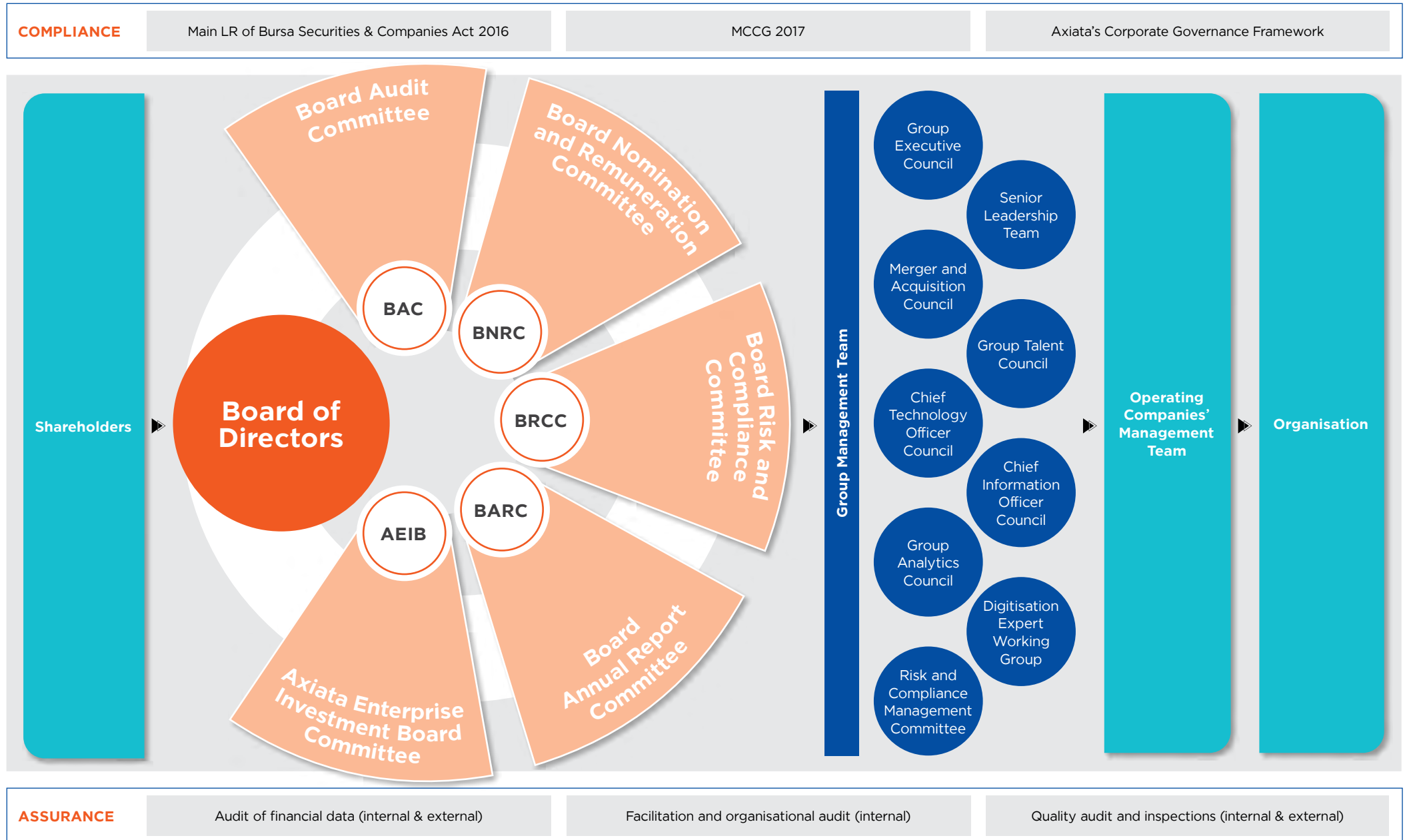
IAR For more details on the Audit Committee, please refer to pages 96 and 97 in the "Board Accountability" section

▶ Relations with Shareholders

An open dialogue is maintained with shareholders regarding strategic, governance and other objectives. This is led by the GCEO and the GCFO, 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 For more details on our stakeholder relationships, please refer to pages 101 and 102 in the "Communication With Stakeholders" section

Our Governance Structure



Who Governs Us



Tan Sri Ghazzali Sheikh Abdul Khalid

Chairman, Non-Independent Non-Executive Director



Dato' Izzaddin Idris

Managing Director/ President & Group Chief Executive Officer



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

Age	75	58	65	62	63
Nationality	Malaysian	Malaysian	Malaysian	British	Malaysian
Gender	Male	Male	Female	Male	Female
Length of Service	13 years	4 years 4 months	4 years	3 years 3 months	2 years 3 months
Date of Appointment	24 March 2008	24 November 2016	21 March 2017	11 December 2017	1 January 2019
	Appointed as Chairman on 1 November 2018 Re-designated as Non-Independent Non-Executive Director on 24 March 2020	Re-designated to Executive Director/ Deputy Group Chief Executive Officer on 24 January 2020 Appointed as Managing Director/President & Group Chief Executive Officer on 1 January 2021			

Note: Age is as at 15 April 2021



For more details on Directors' profiles, please refer to pages 4 to 6 in the "Profile of Directors" section

Who Governs Us



Thayaparan S Sangarapillai

Independent Non-Executive Director



Tan Sri Dr Halim Shafie

Independent Non-Executive Director



Ong King How

*Non-Independent Non-Executive Director
Representative of Khazanah*



**Syed Ali Syed Salem
Alsagoff**

*Non-Independent Non-Executive Director
Representative of Permodalan Nasional Berhad*

Age	66	72	46	45
Nationality	Malaysian	Malaysian	Malaysian	Malaysian
Gender	Male	Male	Male	Male
Length of Service	1 year	5 months	7 months	5 months
Date of Appointment	18 March 2020	1 November 2020	28 August 2020	1 November 2020
			Alternate Director to Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz from 27 November 2019 to 27 August 2020	

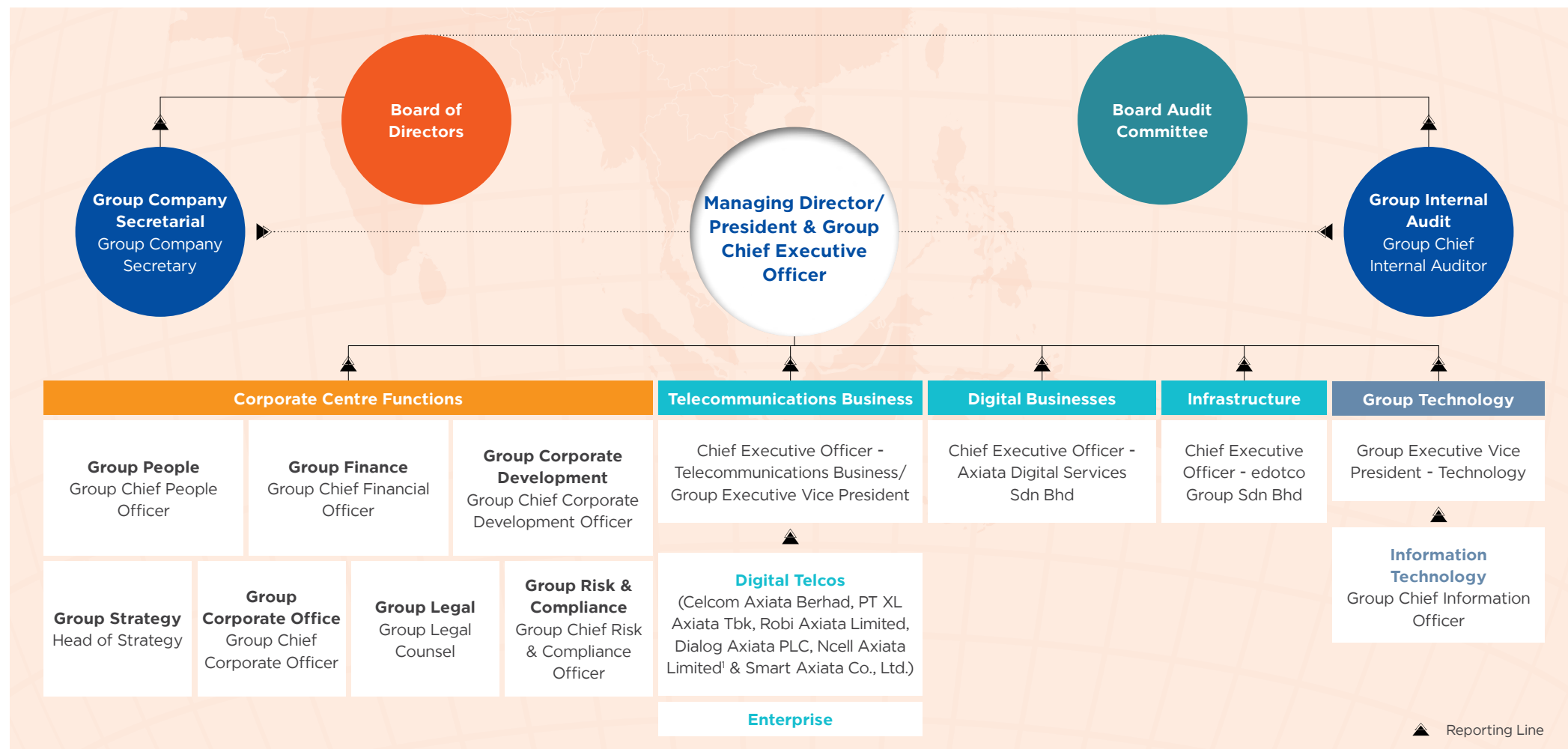
Note: - Age is as at 15 April 2021
- Dr Lisa Lim Poh Lin resigned on 26 February 2020
- David Lau Nai Pek retired on 29 July 2020

- Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz resigned on 27 August 2020
- Tan Sri Jamaludin Ibrahim retired on 31 December 2020

GAFS For more details on Directors' profiles, please refer to pages 4 to 6 in the "Profile of Directors" section

An Experienced Leadership

GROUP ORGANISATIONAL CHART



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 collegiate 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.

Note: ¹ Ncell Axiata Limited (formerly known as Ncell Private Limited)

An Experienced Leadership

Dato' Izzaddin Idris

Managing Director/
President & Group Chief Executive Officer



Age 58	Gender Male	Nationality Malaysian
Length of Service 1 year 2 months	Date of Appointment to Current Position 1 January 2021	

Dr Hans Wijayasuriya

Chief Executive Officer - Telecommunications
Business/Group Executive Vice President



Age 53	Gender Male	Nationality Sri Lankan
Length of Service 27 years 2 months	Date of Appointment to Current Position 24 January 2020	

Vivek Sood

Group Chief Financial Officer



Age 57	Gender Male	Nationality Indian
Length of Service 3 years 11 months	Date of Appointment to Current Position 3 April 2017	

Thomas Hundt

Group Executive Vice President – Technology/
Chief Executive Officer Smart Axiata Co., Ltd.



Age 43	Gender Male	Nationality German
Length of Service 12 years 8 months	Date of Appointment to Current Position 24 January 2020	

Norlida Azmi

Group Chief People Officer



Age 60	Gender Female	Nationality Malaysian
Length of Service 5 months	Date of Appointment to Current Position 1 January 2021	

Lila Azmin Abdullah

Group Chief Corporate Development Officer



Age 53	Gender Female	Nationality Malaysian
Length of Service 7 months	Date of Appointment to Current Position 1 August 2020	

Note: Age is as at 15 April 2021



For more details on the Senior Leadership Team profiles, please refer to pages 10 to 13 in the "Profile of Group Senior Leadership Team" section

An Experienced Leadership

Anthony Rodrigo

Group Chief Information Officer



Age 53	Gender Male	Nationality Sri Lankan
Length of Service 10 years 6 months	Date of Appointment to Current Position 1 August 2017	

Asri Hassan Sabri

Group Chief Corporate Officer



Age 54	Gender Male	Nationality Malaysian
Length of Service 5 years 2 months	Date of Appointment to Current Position 1 September 2018	

Hadi Helmi Zaini Sooria

Group Chief Internal Auditor



Age 51	Gender Male	Nationality Malaysian
Length of Service 23 years 8 months	Date of Appointment to Current Position 15 October 2018	

Abid Abdul Adam

Group Chief Risk and Compliance Officer



Age 39	Gender Male	Nationality South African
Length of Service 3 years 4 months	Date of Appointment to Current Position 2 March 2020	

Suryani Hussein

Group Company Secretary



Age 55	Gender Female	Nationality Malaysian
Length of Service 18 years 6 months	Date of Appointment to Current Position 1 April 2008	

Tan Gim Boon

Group General Counsel



Age 48	Gender Male	Nationality Malaysian
Length of Service 16 years 5 months	Date of Appointment to Current Position 1 April 2008	

Note: Age is as at 15 April 2021



For more details on the Senior Leadership Team profiles, please refer to pages 10 to 13 in the "Profile of Group Senior Leadership Team" section

An Experienced Leadership

OPERATING COMPANIES' ORGANISATIONAL CHART

Mohamed Adlan Ahmad Tajudin, an internal talent was appointed CEO of edotco in November 2020. Previously serving as the Chief Financial Officer and Director of XL, Adlan has been with the Axiata Group for 17 years since he joined Celcom in 2003 as Vice President, Finance.

In November 2019, Ncell welcomed Andy Chong as its new CEO. Andy, an internal talent, was Ncell's Chief Commercial Officer before helping his new role.

These appointments demonstrate orderly succession planning undertaken in accordance with the Axiata Talent Management Framework. The succession plans are presented to the Board at least 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.



Note: ¹ Ncell Axiata Limited (formerly known as Ncell Private Limited)

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 <https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf>. 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 For more details on the Chairman, please refer to page 82 in the "Who Governs Us" section

Managing Director/President & Group Chief Executive Officer

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 For more details on the Managing Director/President & Group Chief Executive Officer, please refer to page 82 in the "Who Governs Us" section

Independent Non-Executive Directors

The primary responsibility of an Independent Non-Executive Director is to protect the interests of minority Shareholders and other stakeholders. In addition, the Independent Non-Executive Directors play a key role in strategy and business performance.

IAR For more details on Directors, please refer to pages 82 and 83 in the "Who Governs Us" section

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 For more details on the Company Secretary, please refer to page 86 in the "An Experienced Leadership" section

SKILL AND EXPERIENCE OF DIRECTORS

Industry Experience

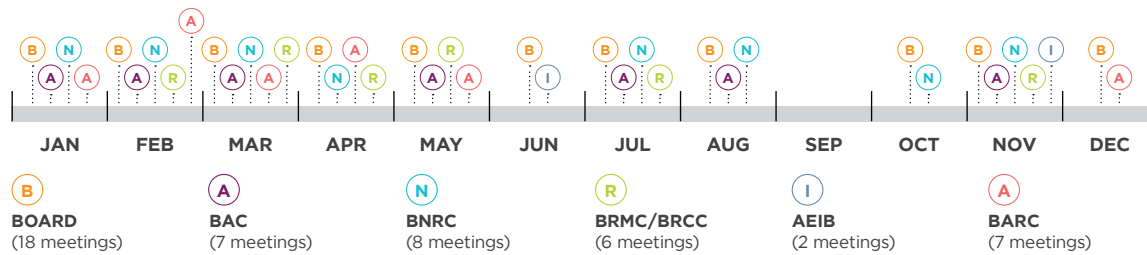
- ▶ Information Technology
- ▶ Telecommunications
- ▶ Finance, Banking & Investments
- ▶ Public Services/ Government Relations
- ▶ Internet/ Media/ Entertainment/ Digital Services/ Innovative Mobile/ Technology/ Analytics

Functional Experience

- ▶ Corporate Finance
- ▶ Strategy/ Entrepreneurship
- ▶ M&A
- ▶ Legal/ Regulatory
- ▶ Audit/ Accounting/ Business Assurance
- ▶ Talent Management/ Human Capital
- ▶ Others - Economics/ Sustainability/ Sales/ Marketing/ Corporate Governance/ Capital Markets/ Islamic Finance

Calendar of meetings of the Board and Committees held in 2020 and attendance of the respective Directors are provided below:

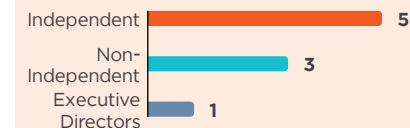
NAME OF BOARD MEMBERS	BOARD	BAC	BNRC	BRMC/BRCC	AEIB	BARC
Tan Sri Ghazzali Sheikh Abdul Khalid	18/18					
Dato' Izzaddin Idris	18/18			6/6	2/2	6/7
Dato Dr Nik Ramlah Nik Mahmood	18/18		8/8	6/6		
Dr David Robert Dean	18/18	7/7		6/6	2/2	
Khoo Gaik Bee	18/18		8/8			1/1
Thayaparan S Sangarapillai [~]	13/13	5/5			2/2	2/2
Ong King How [#]	4/4		2/2			
Tan Sri Dr Halim Shafie [^]	3/3			2/2		
Syed Ali Syed Salem Alsagoff [^]	3/3	1/1			1/1	
Tan Sri Jamaludin Ibrahim [*]	18/18			5/5	2/2	7/7
David Lau Nai Pek [*]	12/12	5/5		4/4		6/6
Dato' Sri Tengku Azmil Zahrudin Raja Abdul Aziz ^{##}	14/14		6/6			
Dr Lisa Lim Poh Lim [*]	2/2					



Notes: ~ Appointed on 18 March 2020
 # Ceased as Alternate Director to Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz on 27 August 2020 and was appointed as Director on 28 August 2020
 ## Resigned on 27 August 2020
 * Retired on 31 December 2020
 ^ Appointed on 1 November 2020

* Retired on 31 December 2020
 < Retired on 29 July 2020
 ## Resigned on 27 August 2020
 * Resigned on 26 February 2020

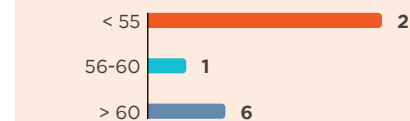
BOARD OF DIRECTORS



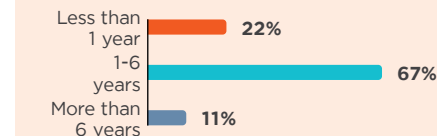
DIVERSITY OF GENDER



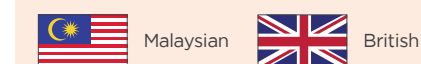
DIVERSITY OF AGE



DIVERSITY OF TENURE



NATIONALITY



TOTAL HOURS FOR BOARD & BOARD COMMITTEE MEETINGS 2020

102.98 hours Board (Including Board Retreats)	25.17 hours BNRC
34.02 hours BAC	9.58 hours BARC
2.75 hours AEIB	15.13 hours BRMC/BRCC

Embedding Sustainability Into Our Governance Structures

▶ **At Axiata, we have strengthened our sustainability governance structure based on the enhanced alignment between Group and OpCos for effective implementation of sustainability strategies and initiatives moving forward.**

Sustainability-related key performance indicators (KPIs) have been included in our Group CEO and OpCo CEOs' annual KPIs to ensure accountability to our sustainability commitments. Additionally, all OpCo CEOs sign-off on sustainability-related governance as part of internal control assurance.

Ultimately, Axiata Board of Directors is accountable for Axiata's sustainable strategies. This top-down approach marks our commitment to embracing sustainability as a Group-wide agenda.

The alignment of the Group and OpCos sustainability activities, progress and achievements to the Group's sustainability agenda is overseen by the Group Sustainability team. In doing so, the Group Sustainability team ensures the effective development, integration and implementation of Group Sustainability objectives and initiatives as governed by the Sustainability Governance body. Additionally, the team provides advisory support and capacity building for the sustainability teams in our OpCos, which report indirectly to Group Sustainability.

Our Group Sustainability Team undertakes key roles related to our goals, acting as the custodian of our sustainability programmes, including:

- ▶ monitoring and managing of business sustainability practices and targets
- ▶ keeping abreast of latest developments, e.g. global sustainability trends, sustainability related guidelines, standards and frameworks
- ▶ educating our internal and external stakeholders through various communication platforms
- ▶ raising skill sets and technical knowledge on current and core ESG developments of our sustainability contact points across the Group

Our OpCos' sustainability teams engage with local stakeholders to identify material issues and aligning and customising our Group Sustainability Framework for local relevance. The OpCos are responsible for the governance, daily management and operations, programme implementation and data collection as identified by the Group Sustainability Framework. OpCos are also encouraged to produce their own Sustainability Report in compliance with the GRI Sustainability Reporting Standards.

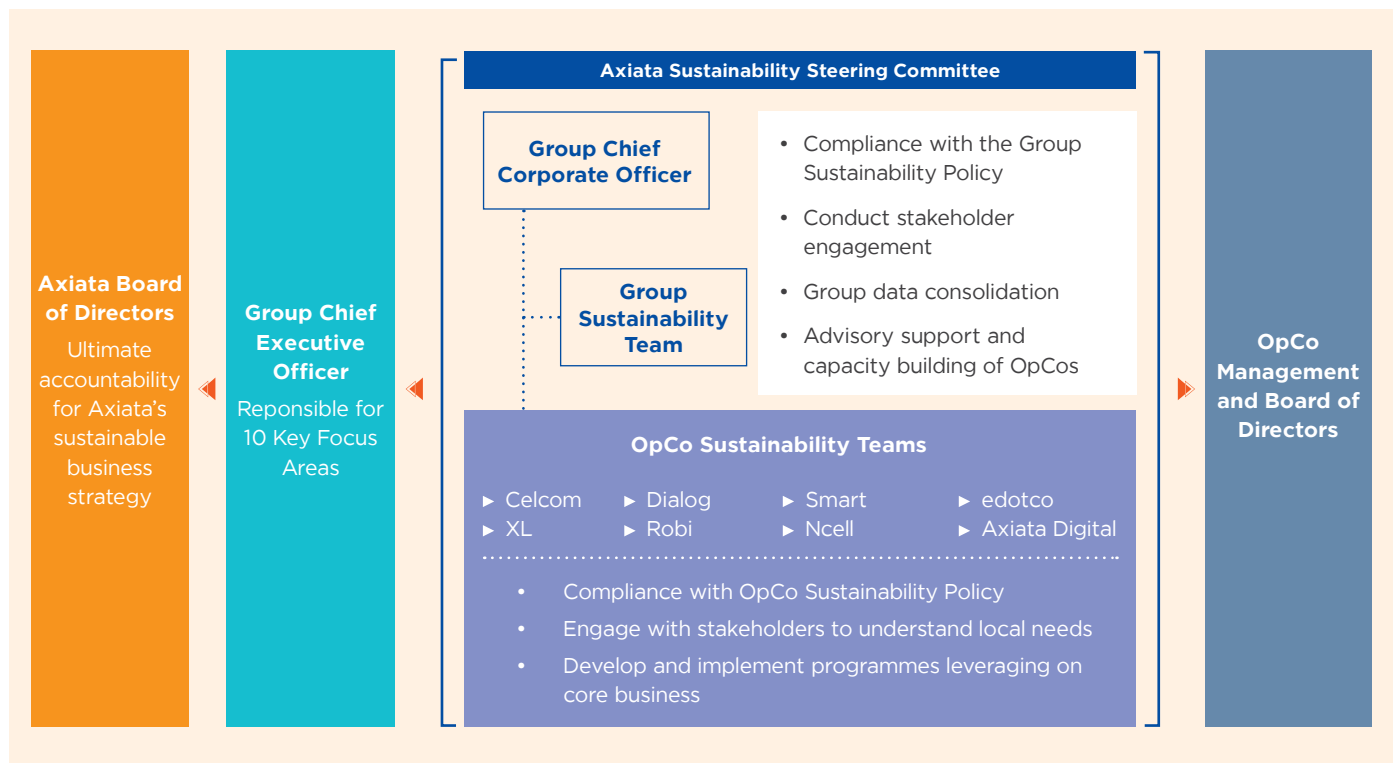
Axiata Sustainability Steering Committee

In 2020, the Group Sustainability team enhanced sustainability governance Group-wide through the establishment of the Axiata Sustainability Steering Committee, which consists of the Group Sustainability team, OpCo sustainability teams as well as key functions. The Committee aims to encourage and ensure a more aligned, focused, standardised, and structured approach towards sustainability management. This will include collaboration on Group's objectives and targets in alignment to the Group's sustainability agenda, facilitating cross-collaboration and a robust and meaningful sustainability performance and results.

Axiata Sustainability Steering Committee objectives are:

- ▶ Accelerate a cohesive and Group-wide approach to sustainability management
- ▶ Strengthen the Group Sustainability governance process, including management systems
- ▶ Ensure alignment in approach and understanding of broader sustainability initiatives and plans throughout the Group
- ▶ Promote a more cohesive structure and collaborative approach to the Group's sustainability objectives and ambitions

The Committee meets on a quarterly basis to track progress, manage and share updates and achievements, as well as align on the Committee's action areas. To enhance accountability of the Group's sustainability governance, the Committee intend to present updates to the Group Executive Council and to the Board.



Board Leadership And Effectiveness

Axiata Advisory Panel

On 19 October 2020, the Board resolved the formation of the Axiata Advisory Panel (AAP) to act as advisors to 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 formation of the AAP is timely and necessary given the global extent of the Group's expanding operations set against an increasingly complex business and geopolitical environment.

The key function of the AAP would be to complement the value, skill sets and experience of the Board and assist the Board in assessing and understanding evolving key and complex issues relating to the Group's operations across its geographical footprint.

The members of the AAP would be individuals who are established experts in their own respective fields that would be called upon to advise Axiata and the Board. The inaugural members of the AAP are Tan Sri Jamaludin Ibrahim and Gita Irawan Wirjawan.

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 M&A.

The Board also considered the Long Range Plan (LRP) Framework which considered new opportunities and new way of engagement as well as reaping the benefits of the Collective Brain initiative 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.

BOARD ACTIVITIES IN 2020

- The Board allocated approximately 25.5% of its time in 2020 during Board meetings focusing on strategic matters and M&A
- At the mid-year retreat in August 2020, the Board discussed and deliberated on opportunities in the new normal, setting the stage in financial direction, technology direction, OpCo transformation summary, operational excellence, new engagement model through the Collective Brain initiative, new technology landscape, new growth areas, new business operational model, portfolio optimisation and value illumination
- At the year-end Board Retreat, the Board emphasised on the Axiata 5.0 vision, including updates on operational excellence, Axiata's new engagement model as well as on stakeholder management. Axiata continues to pay more attention on markets with better structure to focus support on consolidation or shared investments to improve ROIC (e.g. Regulator/Government); more rational competition/less crowded markets

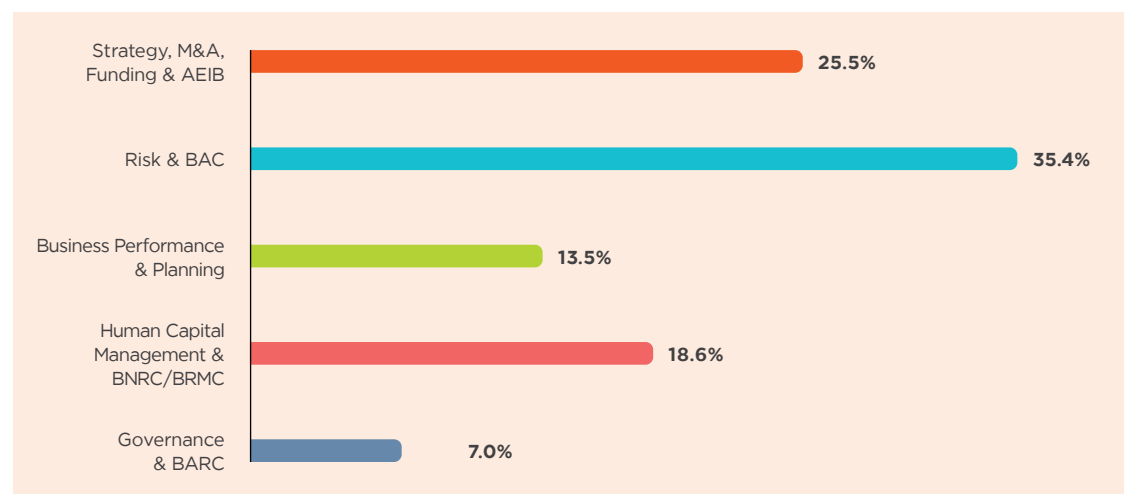
due to consolidation and prioritise investment to grow services and customers in a few key markets with more attractive market structure

PRIORITIES FOR 2021

The focus of the Board for 2021 would be influenced by the continuing impact brought about by the unprecedented COVID-19 pandemic and the fragile environment created therefrom. The mid-term impact to the economic environment will be monitored with an expectation of recovery during 2021. The aim to this would be to balance the focus on short term profits and long-term sustainability while selecting

and undertaking strategic investment cases identified in the business plan for 2021. It is also expected that there will be further optimisation through the Collective Brain initiative and a continuation of the momentum built from lessons gained from the pandemic, all of which are expected to accelerate Group-wide execution anchored upon sustainable growth, positioning for the "New Norms" through opportunistic investments and the continuation of the agenda of transformation of the OpCos. Focus shall also be placed on emphasising operational excellence to drive cost optimisation. Across the Group, we are focused upon moving ahead to realise our Axiata 5.0 vision as The Next Generation Digital Champion.

TOPICS FOR DISCUSSION AT BOARD MEETINGS



CODE OF CONDUCT AND ETHICS (CODE)

The Code is in line with the practices in the MCCG 2017 and ensures that the Board continues to shape the ethical culture through its leadership. The provisions of the Code are also embedded within

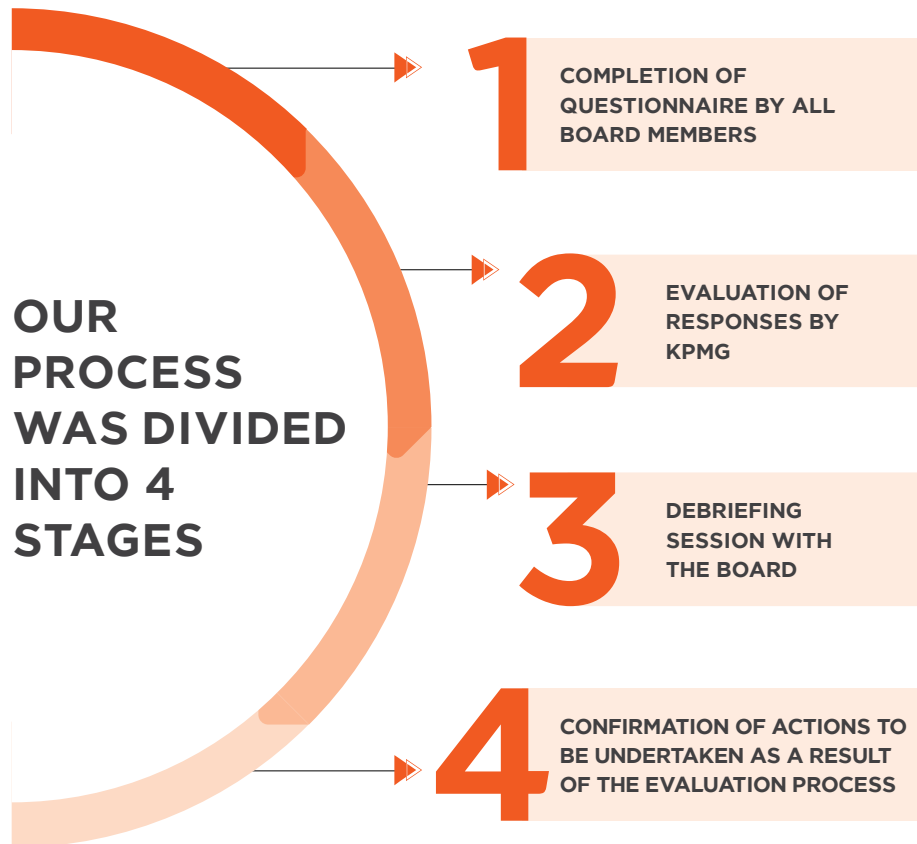
the Employees Code of Conduct and our core values of Uncompromising Integrity and Exceptional Performance applicable across the Group.

WWW The Code is available online at <https://www.axiata.com/sites/default/files/docs/Board-Code-of-Conduct-and-Ethics.pdf>

Board Leadership And Effectiveness

▶ **The Board engaged the services of KPMG Management and Risk Consulting Sdn Bhd (KPMG) to assist with the 2020 Board Effectiveness Evaluation (2020 BEE) of the Board’s performance on a refresher basis.**

KPMG is a corporate governance advisory firm that specialises in facilitating board reviews. Board members were invited to complete a questionnaire and selected Board members were invited to participate in interviews, which amongst others, addressed the performance of the Board and its Committees, the leadership transition that occurred in 2020 as well as the impact and responses from the COVID-19 pandemic. 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 President & Group Chief Executive Officer (GCEO).



STRENGTHS

The BEE for 2020 was undertaken by KPMG Management & Risk Consulting Sdn Bhd (KPMG) as a refresher to the fully comprehensive BEE conducted in 2018. During the 2020 BEE, KPMG conducted the analysis based on the responses received from all of the Directors, including the previous Group Chief Executive Officer as well as interview sessions with selected Directors. Some of the key findings of the 2020 BEE are as follows:

- The Board is seen to be committed to elevate Axiata’s ethical standards as manifested in the Board’s prominence in protecting the physical and mental health of employees during the COVID-19 pandemic. This ethical oversight is strengthened through the expansion in the scope of the Risk and Compliance Committee
- The leadership transition of the Managing Director & President/GCEO that took place in 2020 was premised on a well-defined framework, where the Board was privileged to be exposed to the qualities of the incoming GCEO. It was also noted that the incoming and outgoing GCEOs were on the “same wavelength” in a transition that had a well memorialised communication plan
- The Board demonstrated seasoned judgement and clear understanding of its role vis-à-vis that of the Senior Leadership Team. This was exemplified by the empowerment accorded to the Senior Leadership Team in making challenging decisions
- The Board is able to tap onto its enhanced intelligence network and prompt the Senior Leadership Team with honed views

IMPROVEMENT

The findings of the 2020 BEE have also recommended areas for improvement, the salient points of which are as follows:

- For future leadership transitions, there were suggestions to engage with the incoming GCEO on setting suitable and fitting key performance indicators and ascertain the impact on matters reserved for the Board
- On the matter of the oversight of COVID-19 implications, suggestions were raised to balance risk and strategy and to consider establishing a special purpose Board-Management Crisis Committee, if needed
- Proposals to ensure two-way communication with the Boards and Management of OpCos as well as forming smaller hybrid groups across OpCos with the objective of germinating ideation were proffered as improvements over the oversight of OpCos
- To improve the efficiency and effectiveness of the flow of Information, it was proposed that the form, coverage and structure of Board papers be standardised with a strict focus on comprehensiveness of information and presentation as well as timeliness of delivery

Board Leadership And Effectiveness

BOARD EFFECTIVENESS EVALUATION (“BEE”) - BOARD RE-ELECTION

In respect of the Directors standing for election/re-election, the BNRC and Board took into consideration the self-peer ratings and other feedback on the areas evaluated as undertaken in the BEE 2020 with the following findings:

Khoo Gaik Bee

is acknowledged for her calibre and personality, particularly on the dimension of fostering camaraderie amongst Board members and exuding a strong presence. Her solid experience in human capital management has led to her recognition as a highly personable Director with sound coaching capabilities.

The Board is of the view that she should remain as an INED and accordingly, recommends her re-election.

Thayaparan S Sangarapillai

is acknowledged for his strength in probing Senior Management and discourse management as well as proactive idea contribution.

His wealth of experience in accounting and auditing brings effectiveness to his chairmanship of the Board Audit Committee and Board Annual Report Committee, particularly, to probe Management on financial and internal control matters.

The Board is of the view that he should remain as an INED and accordingly, recommends his election.

Ong King How

is acknowledged for his adeptness with market and stakeholders’ sensitivities where he is uniquely positioned to share honed and specialised views from a macro perspective given his capacity as a top executive of Axiata’s controlling shareholder and institutional investor, Khazanah Nasional Berhad. He is able to represent the interests of the nominator whilst simultaneously being cognisant of his fiduciary responsibility to Axiata.

The Board is of the view that he should remain as the NINED, Representative of Khazanah Nasional Berhad, and accordingly, recommends his election.

Tan Sri Dr Halim Shafie

is recognised for demonstrating active individual participation in the boardroom. His past experience as a senior bureaucrat and Directorships in several other government-linked companies and agencies equips him with the propensity towards proactive contribution to boardroom deliberations from a specialised standpoint.

The Board is of the view that he should remain as an INED and accordingly, recommends his election.

Syed Ali Syed Salim Alsagoff

is regarded as a valuable addition to Axiata’s boardroom in terms of his wide-ranging experience in the corporate sector as well as displaying strength in his capabilities to probe Senior Management. He is able to represent the interests of the nominator whilst simultaneously being cognisant of his fiduciary responsibility to Axiata.

The Board is of the view that he should remain as the NINED, Representative of Permodalan Nasional Berhad, and accordingly, recommends his election.

The assessment in respect of Directors’ independence in the 2020 BEE was carried out using the criteria prescribed under the Main Market Listing Requirements 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 Market Listing Requirements 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:

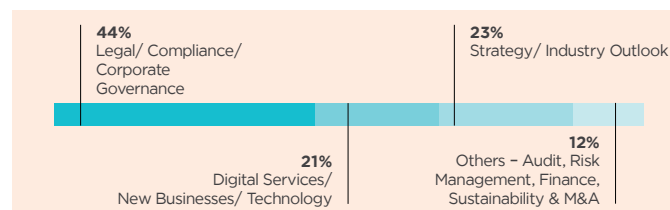
- ▶ **Industry Outlook & Analyst Expectation**
- ▶ **Enterprise Business Expectations**
- ▶ **New Business Models for Disruptive Digital Telcos**

There is also a Telco Primer organised for new directors appointed to the Board of Axiata if the person is not from the telco industry.

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. Unfortunately, travel restrictions imposed due to the COVID-19 pandemic had not allowed for such visits in 2020.

2020 DIRECTORS’ TRAINING AREAS

Number of Training Programmes Disseminated by Group Company Secretary in 2020 amounted to 34, which included training on digital services, new business and technology compiled by Strategy, Axiata Digital Services and Technology.



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 level 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.

There is no revision to the remuneration of the Directors save for the new remuneration for the BRCC which had assumed expanded roles and responsibilities to further strengthen risk and compliance matters of the Group.

The following table outlines the remuneration structure for NEDs of the Group:

Remuneration	Monthly Fees ¹ (RM)		Meeting Allowances ² (RM)	
	NEC ³	NED	NEC ³	NED
Board of Directors	30,000	20,000	3,000	2,000
BAC	4,000	2,000	3,000	2,000
BNRC	1,200	800	1,500	1,000
BRCC ⁴	3,000	1,500	2,250	1,500
Other Board Committees	Nil	Nil	1,500	1,000

Notes: ¹ In accordance with shareholders’ approval, Axiata pays Board and Board committees’ Directors’ fees on a monthly basis
² Meeting allowances are paid on a per meeting basis, notwithstanding any adjournment and number of days
³ NEC refers to Non-Executive Chairman
⁴ The revised rates are subject to shareholders’ approval at the AGM

Benefits

Benefits comprises annual overseas business development trips, leave passage, travel allowance, travel allowance for non-resident NEDs, equipment, telecommunication facilities, insurance and medical.

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 as well as Total Shareholder Returns (TSR). It also takes into account similar packages at comparable companies (of similar size and complexity to Axiata locally; and in the same industry in the region), based on information prepared by independent consultants and survey data.

The current remuneration policy of the EDs consists of basic salary, benefits-in-kind and 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 achievements 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 TSR and ROIC within the vesting period with TSR targets being set in comparison with other high-performing companies on Bursa Securities.

Board Committees

Board Nomination and Remuneration Committee (BNRC)

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 and 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; and
- Recommend or approve, as the case may be, the key 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; and
- Administer the Performance-Based Employee Share Option Scheme and Restricted Share Plan (Axiata Share Scheme) and Axiata Group Performance-Based Long-Term Incentive Plan in accordance with the Bye-Laws of the Axiata Share Scheme and Axiata Group Performance-Based Long-Term Incentive Plan (Bye-Laws) as approved by shareholders of the Company

Activities in 2020

Nomination

- Considered the significant changes to the Board of Axiata in 2020 involving the appointments of three new directors, the retirement of two directors and the resignation of one director
- 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' Boards
- Reviewed and recommended the extension of employment contracts of key personnel of Axiata Group
- Discussed the findings of the 2019 BEE and follow-up actions and approach for 2020 BEE
- Recommended the appointment of Board Committee members and other changes
- Recommended the renaming of the BRMC to BRCC and the change of its Chairman effective 20 February 2020
- Succession Planning and Talent Management Review
- Reviewed the suitability of the directors due for re-election at the 2020 AGM
- Assessed and recommended the redesignation of INED to NINED for one INED who had exceeded the nine year cumulative term limit
- Reviewed and recommended the GCEO's succession plan
- Reviewed and recommended revisions to the Board Composition Framework of Axiata
- Reviewed and recommended the new remuneration structure for Board Risk and Compliance Committee to be tabled at the next AGM for approval of Shareholders
- Reviewed and recommended the proposed establishment of Axiata Advisory Panel

Remuneration

The BNRC considered and recommended to the Board the following matters:

- Reviewed and recommended the OpCo LTIP Vesting, OpCo CEO LTIP Grant and revision and alignment of Special LTI Plan of OpCo
- Preliminary desktop analysis of the current remuneration rates of the Board and Board Committees
- Revision of Group Performance Bonus Matrix
- Long-Term Incentive Grant for edotco Group
- GCEO KPI 2019 - Performance Evaluation and Remuneration
- Company Bonus Payment and Salary Review Budget
- 2020 Restricted Share Plan Grant and Vesting
- Reviewed and recommended 2020 CEO Shares Award for XL
- Reviewed and recommended the reward and retention programme (implementation details) and proposed new compensation framework
- Top Management Remuneration Revision

Structural Changes to Board Composition

The year saw several changes to the composition of the Board of Axiata and OpCos as follows:

- Appointment of Thayaparan S Sangarapillai as Director of Axiata
- Appointment of Tan Sri Dr Halim Shafie and Syed Ali Syed Salem Alsagoff as Directors of Axiata
- Appointment of Mohamed Adlan Ahmad Tajudin as CEO of edotco
- Appointment of Dato' Izzaddin Idris as Director of edotco
- Appointment of Dato' Izzaddin Idris as Director of Celcom
- Appointment of Thomas Hundt as Director of Celcom
- Appointment of Dato Dr Nik Ramlah Nik Mahmood as Director of Dialog

Priorities for 2021

- 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 2020 BEE findings and decide on the approach for the 2021 BEE
- Routine matters such as performance bonus, increment for employees and KPIs for GCEO
- Other new matters proposed by Management/ Board

Board Committees

Axiata Enterprise Investment Board Committee (AEIB)

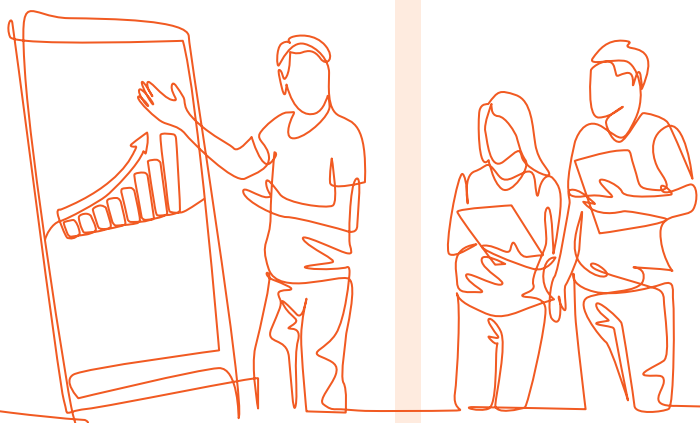
Members

- ▶ Dr David Robert Dean (Chairman)(INED)
- ▶ Dato' Izzaddin Idris ▶ Syed Ali Syed
- ▶ Thayaparan S Salem Alsagoff
- ▶ Sangarapillai (INED) (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 2020

- The AEIB considered and evaluated a number of opportunities arising in the enterprise segment and provided due recommendations of the same to the Board



Board Annual Report Committee (BARC)

Members

- ▶ Thayaparan S Sangarapillai (Chairman)(INED)
- ▶ Dato' Izzaddin Idris ▶ Khoo Gaik Bee
- (INED)

- Review and approve the content 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
- Review and recommend for the Board's approval 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 primary recipients of the annual report

Activities in 2020

- Provided a holistic view of the Group's businesses and how value is created, with the continuing adoption and application of the globally recognised and best practice reporting framework of the International Integrated Reporting Council's (IIRC) Integrated Report
- Initiated discussion on applying the IIRC's Integrated Reporting framework as the framework in Axiata's annual report to shareholders and stakeholders
- Engaged with consultants, professional bodies and stakeholders to develop a roadmap towards applying the IIRC framework for its annual report
- Conducted reviews of Axiata's inaugural integrated annual report

Priorities for 2021

- To continue with Axiata's goal to apply all of the recommendations of the Integrated Reporting framework and other best practices relating to corporate reporting
- To improve on the integrated annual report reporting process and the quality of information



Board Accountability

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit Committee (BAC)

Members

- ▶ Thayaparan S Sangarapillai (Chairman)(INED)
- ▶ Dr David Robert Dean (INED)
- ▶ Syed Ali Syed Salem Alsagoff (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 2020

- The Group-wide ABAC review on governance, policies, procedures and operational practices in relation to organisation readiness for compliance with Section 17A of Malaysia Anti-Corruption Commission (MACC) Act 2009 (Revised 2018) was initiated in 2019 and completed in 2020. The outcome of the review has been improvements in governance framework with the setup of BRCC, issuance of Anti-Bribery Anti-Corruption (ABAC) and other related policies and procedures throughout the Group
- Continued to work with Management to enhance whistleblowing 2.0 channel establishment across all OpCos in line with Section 17A of MACC Act 2009 (Revised 2018) Adequate Procedures aimed at transparency and integrity in the business
- Issuance and publication of the enhanced Group Whistleblowing Policy & Procedures
- Reviewed and recommended the updated Board Audit Committee Terms of Reference across the Group to harmonise with the establishment of Board Risk and Compliance Committee (BRCC)
- Reviewed Board Audit Committee membership composition across the Group for continuity in leadership and roles
- Initiated a review across the Group on alignment to "Securities Commission's Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries" (issued on 30 July 2020)
- Reviewed Axiata Group CG disclosure practices across all OpCos
- Reviewed the effectiveness of Internal Audit function in all OpCos in terms of independence, objectivity, resource adequacy and competency to ensure audit assurance continue to be of high quality
- Oversee the completion of Group-wide Basic Analytics Certification Programme for internal auditors across the Group in 2020
- Encouraged the use of data analytic-based audit (ABA) amongst the internal audit teams across the Group which provides a more holistic and effective assessment on internal controls compliance. BAC continued to support the application of digital technology in internal audit and investigation domains
- Reviewed the carrying value of assets and the consequent impairment provisions, in particular those assets which relate to 3G as OpCos move data and voice traffic to 4G network
- Reviewed the Group foreign currency exposure, the impact of currency translation on Axiata Group's financial statements, and debt level including restructuring on financial risks of the Group in light of ongoing US-China trade war, COVID-19, oil price crash, and currency volatility
- Reviewed Axiata Group's Cost Optimisation and Capex Efficiency projects with the advent of Group "Operational Efficiency" strategic direction
- BAC also provided direction on strategic risks and business resilience, especially in light of the headwinds faced by Axiata and OpCos' operations due to the COVID-19 pandemic in 2020

Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2021
- Reviewed the execution of all 2020 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 118 internal audit reviews were completed across the Group
- Supported extensive internal audits assignments Group-wide in the areas of Procurement, IT user access, Cyber Security, Data Privacy, Enterprise Business, and Business Continuity Management which have contributed to improvements in controls across the Group
- Championed for the right and relevant competency development of auditors specifically on certified internal auditor (CIA), information system auditing, cyber security, and analytics in audit 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 2020, 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 and divestments made by the Group

Board Accountability

Board Audit Committee (BAC)

- Reviewed compliance by Axiata Group and its OpCos with the accounting standards issued by International Financial Reporting Standards (IFRS) and incorporated in Malaysian Financial Reporting Standards (MFRS)
- Reviewed on a quarterly basis the related party transactions entered into by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 28th AGM of the Company held on 29 July 2020 and the reporting of these transactions in the 2020 Financial Statements
- During the financial year ended 31 December 2020, Axiata granted a total of 1,874,800 shares under the Performance Based Long Term Incentive Plan (details provided under Notes 14 of the Audited Financial Statements) at the Share Reference Price of RM4.17 for 28 February 2020 and RM3.15 for 15 August 2020 for Restricted Share Plan (RSP) grant respectively. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the Performance Based Long Term Incentive Plan) 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 19 February 2020 and 26 August 2020 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 and cooperation provided by the Management
- Reviewed and approved the appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence
- Reviewed and recommended to the Board, fees payable to the external auditors
- Reviewed and approved the non-audit fees paid to the external auditors
- Reviewed business control incidents including fraud
- Reviewed the WB Dashboard and consequence management
- Reviewed Data Privacy governance, risks management and internal controls implementation
- Continued to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate

Priorities for 2021

- Review the effectiveness of ABAC governance as well as ABAC Adequate Procedures
- Review of BAC membership composition to support BOD on changing governance and regulatory landscape
- Continuous enhancements of Corporate Governance (CG) as well as Group oversight in relation to the Malaysian Code of Corporate Governance (MCCG 2017) and Securities Commission Guideline issued on 30 July 2020
- Review external auditors' audit plan, auditors' independence/objectivity, and external audit findings
- Review 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 International Financial Reporting Standards (IFRS) and Malaysian Financial Reporting Standards (MFRS)
- Continuous review of the Group Treasury Operations in relation to cash in hand, interest earnings, foreign and local debts, compliance to debt covenants, and interest expenses optimisation
- Review of network capital and operating expenditure governance, controls and efficiency under "Operational Efficiency" strategic direction and Collective Brain initiative
- Continuous review of the carrying value of assets and goodwill for impairment, in particular those assets which are still on 3G with 4G network expansion and the upcoming 5G technology roll out
- Continuous review of the Group's foreign currency exposure, impact of currency translation on Axiata Group's Financial Statements consequent to volatile economic environment due to COVID-19, oil price movement, interest rate movement and currency volatility
- Review of the execution of all 2021 internal Audit Plan, audit findings and closure of major audit issues
- Continuous enhancement of Internal Audit Function effectiveness, independence and objectivity, resource adequacy, and competencies
- Continue to ensure that internal auditors are given the right training on relevant and new competencies such as cyber security, data privacy, and the use of analytics in audits
- Continue to support Internal Audit in deepening the use of data analytics and digital technology in audits and whistleblowing investigations for better assurance to BAC
- Support "Continuous Auditing" initiative in keeping up with the business digitalisation and IR 4.0 technologies
- Enhancement of Whistleblowing standard operating procedures (WB SOP) throughout the Group
- Continuous monitoring of security, independence, and awareness of the whistle blowing channel established by Management for employees and other stakeholders
- Review the effectiveness of Related Party Transactions (RPT)
- Continuous review of cyber security, IT systems access, and procurement to further strengthen the controls around evolving and emerging risks
- Review the effectiveness of governance and procedures of Data Privacy

Internal Control And Risk Management

Board Risk and Compliance Committee (BRCC)

On 20 February 2020, the Axiata Board resolved to rename the BRMC to BRCC with expanded roles and responsibilities to further strengthen risk and compliance governance. The first BRCC meeting was held on 24 March 2020.

Members

- ▶ Dr David Robert Dean (Chairman) (INED)
- ▶ Dato Dr Nik Ramlah ▶ Tan Sri Dr Halim Nik Mahmood ▶ Shafie (INED) (SINED) ▶ Dato' Izzaddin Idris

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 and compliance. The BRCC is responsible for ensuring robust processes are in place for identifying, assessing, and monitoring;

- i. key business risks to safeguard shareholders' investment and the Company's assets;
- ii. cyber security risks and risks relating to data privacy; and
- iii. risks arising from non-compliant 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, 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 in place 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 key performance indicators 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 2020

- Established an Integrated Risk & Compliance governance function for Axiata Group and OpCos
- Strengthened ERM processes and governance by revising the ERM Policy and framework to align with the revised ISO31000:2018 standard
- Established COVID-19 Business Continuity Management (BCM) Committees and working groups to manage the COVID-19 crisis with continuous monitoring of the external and internal impacts on business
- Initiated the Corporate Compliance programme Group-wide to strengthen the existing compliance framework within the organisation, to ensure the successful implementation and roll out of the adequate procedures in accordance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018
- Continue to implement Digital Trust 2020 (DT2020) with emphasis on people, processes, and technology, to fortify our data privacy and cyber-aware culture
- Direct and endorse the revised cyber security strategy - Digital Trust & Resilience2023 (DT&R2023)
- Enhanced Data Privacy and Cyber Security Governance with firm maturity targets
- Ensured a Robust Cyber Defence framework with continuous monitoring through the Group Security Operations Centre (GSOC)
- Strengthened Cyber Risk Management aligned with the Enterprise Risk Management process

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 31000:2009, is adopted across the Group. Based on the ERM framework, a risk reporting structure has been established to ensure prompt communication to BRCC and the Board.

Priorities for 2021

- Oversee the development, implementation and review of the Group Risk and Compliance framework, policy and plans for a system and process of risk and compliance management
- Ensure that effective systems of internal controls are developed, implemented, monitored, maintained and assessed by management in line with the BRCC governance instruments
- Ensure that management considers and implements appropriate risk responses to all the significant risks
- Express the committee's formal opinion to the Board on the effectiveness of the system and process of risk and compliance management
- To closely monitor the implementation progress of the Corporate Compliance Programme and the adequate procedures to remain compliant with the requirements of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018
- Oversee and monitor the adequacy of internal controls specifically related to fraud risks (and any incidents of fraud)
- To monitor and review the successful implementation of the Cyber Security Strategy DT&R2023
- Oversee the effective execution of the Cyber Security and Phase Two of the Privacy programmes
- Review the effective execution of the Cyber Defence capability and the establishment of the new Cyber Fusion Centre in Kuala Lumpur
- Review insurance cover to ensure adequate coverage is applied

Cyber Security And Privacy Committee (CaP)

Cyber Security and Privacy Committee (CaP)

Members of CaP

- ▶ Dr David Robert Dean
- ▶ Dr Hans Wijayasuriya
- ▶ Dato' Izzaddin Idris
- ▶ Abid Abdul Adam

The Cyber Security Steering Committee (CSSC) was replaced on 24 Nov 2019 with the joint Cyber Security and Privacy Committee (CaP) to promote greater alignment, visibility and review of the collective data privacy and cyber security issues. In 2020, we expanded the joint CaP scope to include Enterprise Risk Management, Compliance and Ethics and evolved the CaP Management Committee to the Risk and Compliance Management Committee (RCMC).

The RCMC provides the forum to manage the development, effective governance, oversight, reporting and maturity of the four departments under Risk and Compliance, namely: Cyber Security, Data Privacy, Enterprise Risk and Compliance & Ethics.

It also provides the platform for a transparent, focused, and independent review to oversee risk and compliance matters at the management level before deliberations at the BRCC.

The RCMC is responsible for ensuring that there are robust processes in place for identifying, assessing, and monitoring:

- i. Key business risks to safeguard the Company's assets;
- ii. Cyber security risks and risks relating to data privacy; and
- iii. Risks arising from non-compliant practices and behaviours, particularly about Anti-Bribery and Anti-Corruption (ABAC).

Roles

- Establish, communicate, and ensure accountabilities for Cyber Security and Privacy (CS&P)
- Oversee CS&P programme and assess the value of the investments, process, and activities
- Monitor progress and quality of CS&P programs and provide assurance to the BRCC
- Review the Group Internal Audit plans for CS&P across the Group and make recommendations to the Axiata BAC
- Formalise the CS&P Standards and review deviations
- Ensure requisite governance processes are developed and implemented
- Guide the CS&P program and architecture strategy
- Oversee and assess the performance of the Group Chief Information Security Officer (GCISO) function
- Conciliate or arbitrate between conflicting security requirements

Responsibilities

- CaP is tasked with executing on BRMC Directives as well as ensuring execution of the Data Privacy and Cyber Security imperatives
- The composition of the CaP shall include representatives from Axiata senior leadership, and advisor/observer from the BRMC
- CaP reports into the BRMC to ensure appropriate management of risks associated with Data Privacy and Cyber Security
- Participation from relevant senior management from cross-functional representation (Internal Audit, Finance, IT/Network, HR, Legal and Regulatory) will be made compulsory, with an OpCo representative also to be considered
- The BRMC representative in CaP will be in an advisory capacity to the management team

Activities in 2020

- Reviewed, challenged and proposed recommendations on CS&P initiatives
- Proposed new initiatives
- Provided resources required to perform duties
- Granted GCISO full and unrestricted access to any of Axiata's Group of companies
- Escalated issues to the BRMC for immediate action
- Obtained external independent professional advice on CS&P matters where necessary
- With approval from the BRMC Chairman, CaP can change the priorities of the Committee

Risk And Compliance Management Committee (RCMC)

Risk and Compliance Management Committee (RCMC)

Members of RCMC

- | | | | |
|------------------------|------------------------|-----------------------|-------------------|
| ▶ Dato' Izzaddin Idris | ▶ Thomas Hundt | ▶ Norlida Azmi | ▶ Tan Gim Boon |
| ▶ Vivek Sood | ▶ Anthony Rodrigo | ▶ Lila Azmin Abdullah | ▶ Abid Abdul Adam |
| ▶ Asri Hassan Sabri | ▶ Dr Hans Wijayasuriya | | |

Roles

- The RCMC's responsibilities include areas of Enterprise Risk Management (i.e. Business Continuity and Crisis Management), Cyber Security, Data Privacy, Compliance, Ethics and Integrity and Telecommunication Regulatory Compliance, which includes but 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/ Operating companies) 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 are in place 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 & 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 key performance indicators 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 2020

- Four CAP/RCMC meetings were held in 2020 to discuss the Group's risk agenda
- Key deliberations and risk and compliance activities in the year include:
 - Group and OpCos key risks and the relevant mitigation strategy
 - Monitoring of the pandemic response Group-wide with the establishment of BCM COVID-19 Committee taskforce.
 - Assess Cyber threat and risks faced by the Group on protecting and safeguarding the data privacy of our customers, employees and other stakeholders
 - Business Continuity Programme and its maturity level across Axiata OpCos
 - 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 defence capabilities
 - Assessed the adequacy of our Employees' and Vendors' Cyber Capabilities
 - Strengthened our Cyber Partner Ecosystem
- Defined standing agenda items to be monitored and reviewed regularly as part of the RCMC and the BRCC meeting agenda that encompasses the relevant subjects across all verticals covered under the oversight of RCMC and BRCC
- Set up the Compliance function at Group and OpCos level as part of the Corporate Compliance Project in meeting the requirement under MACC S17A
- Set up and provided direction to improve the Compliance maturity state in 2020

Priorities for 2021

- Establishing an Integrated Risk & Compliance governance function for the Group and OpCos
- Ensuring all risks of the Group are appropriately managed through effective monitoring at the BRCC encompassing all relevant domains
- Expansion of the Group Cyber Defence capability by establishing a future fit Cyber Fusion Centre
- Ensuring execution of the Risk and Compliance programmes on time and budget aligned to the DT&R2023 strategy
- Ensuring the Group risk and compliance programmes are effective and progressively improving to reach its planned maturity levels
- Strengthening of Anti-Bribery and Anti-Corruption compliance and practice across the Group
- Progressively improving Group-wide Privacy Programme to uplift Axiata's data privacy capabilities, and reinforcing our position as a trusted regional telecommunications and digital services provider
- 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, and active staff engagement
- Aligning the Risk and Compliance functions of the Group to ensure a regulatory compliant, measured, consistent, and business focused application of practices
- Uplifting the skillset of risk and compliance practitioners 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 development 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

<p>The Integrated Annual Report, Sustainability and National Contribution Report, Governance and Audited Financial Statements and Notice of AGM Website/Print at Request/Press Advertisement</p>	
<p>Website updates on all corporate communication</p>	<p>Announcements to Bursa Securities</p>

Annual General Meeting

- In view of the COVID-19 pandemic situation and as per the Guidance FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, Axiata had successfully convened its 28th AGM as a fully virtual meeting conducted via live streaming
- Members had joined the AGM online and remotely and also vote electronically using the Remote Participation and Voting (RPV) facilities provided by TRICOR Investor & Issuing House Services Sdn Bhd via its TIH Online website
- Shareholders and proxies of Axiata were able to submit their questions electronically via the TIH Online website before and during the AGM

Communication via Mass Media

<p>Press Conference on Financial Results and Corporate Developments</p>	<p>Media Release on Financial Results and Corporate Developments</p>	<p>Media Interviews on Corporate Developments</p>
<p>Media Engagements and Networking</p>	<p>Social Media Reach and Engagement on all key channels</p>	<p>Media Outreach and Education</p>

Communication to Analysts and Investors

<p>Analyst & Investor Day</p>	<p>Analysts/ Investor Meetings</p>	<p>Conference Calls on Financial Results and Corporate Development</p>
<p>Investor Relations Website</p>	<p>Conferences/ Non-Deal Roadshows</p>	<p>27 Equity Research Coverage</p>

INVESTOR RELATIONS

Conferences, non-deal roadshows (NDR), large group meetings and one-on-one meetings

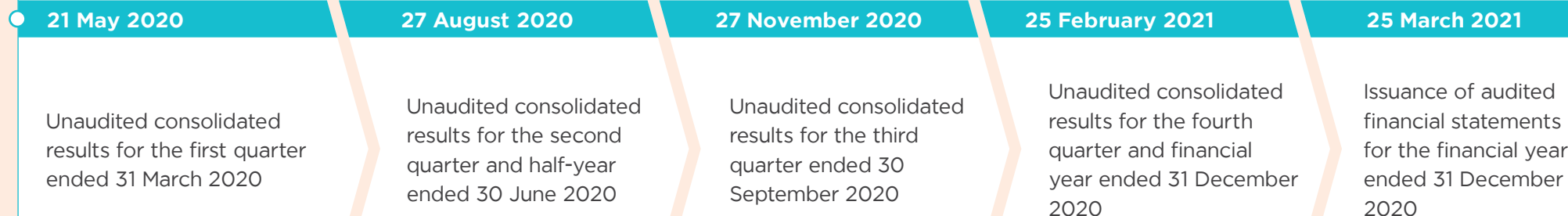
<p>▶ 6 January CGS - CIMB 12th Annual Malaysia Corporate Day - Kuala Lumpur</p>	<p>▶ 28 September UBS OneASEAN Conference 2020 - Virtual</p>
<p>▶ 16 April Citi Pan - Asia Corporate Forum 2020 - Virtual</p>	<p>▶ 8 October Nomura Malaysia Corporate Day 2020 - Virtual</p>
<p>▶ 8-9 September CLSA Investors’ Forum 2020 - Virtual</p>	<p>▶ 3 November HSBC ASEAN Next: Dialogue with leaders in Digital Payments - Virtual</p>
<p>▶ 15 September Virtual NDR - Macquarie</p>	<p>▶ 3 December Axiata Analyst & Investor Day - Virtual</p>

- Axiata was amongst the first PLCs to appoint an Independent Moderator at the virtual AGM in response to the call by MSWG to do so
- The AGM had also served as the primary engagement platform between the Board and the shareholders of the company
- 28 days’ notice was given for the AGM held on 29 July 2020
- Business presentation by the Managing Director/President & Group Chief Executive Officer was undertaken at the AGM
- An enhanced and electronic fully virtual e-voting process via RPV
- Poll voting on all resolutions and immediate announcement of results were also undertaken at the AGM

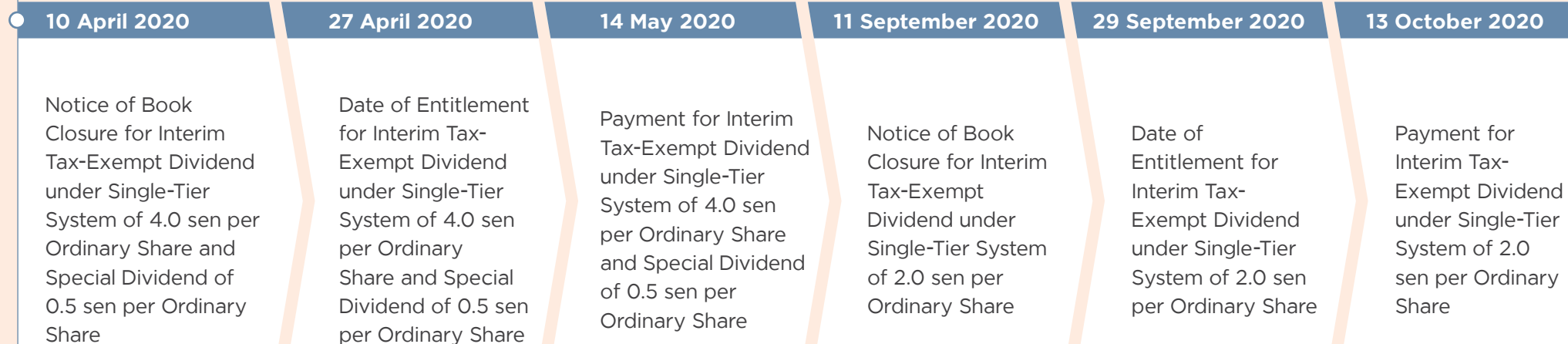
Communication With Stakeholders

Financial Calendar

Financial Results



Dividends





Providing innovation funds that assist businesses with their growth aspirations.

#ItBeginsWithUs

Axiata Digital Innovation Fund for Edwin Wang, Founder of Signature Market

ADDITIONAL INFORMATION

Corporate Information

BOARD OF DIRECTORS

- ▶ **Tan Sri Ghazzali Sheikh Abdul Khalid**
Chairman
Non-Independent Non-Executive Director

- ▶ **Dato' Izzaddin Idris**
Managing Director/
President & Group Chief Executive Officer

- ▶ **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

- ▶ **Ong King How**
Non-Independent Non-Executive Director

- ▶ **Syed Ali Syed Salem Alsagoff**
Non-Independent Non-Executive Director

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 8706
Fax : +603 2278 3337
Email : ir@axiata.com

Stock Exchange Listing

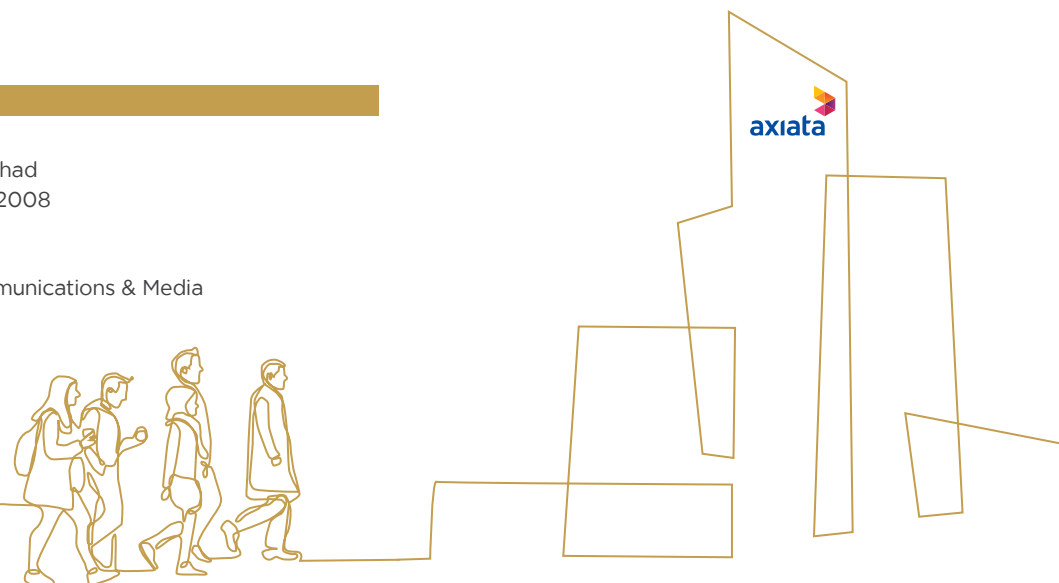
Listed on Main Market of
Bursa Malaysia Securities Berhad
Listing Date : 28 April 2008
Stock Code : 6888
Stock Name : Axiata
Stock Sector : Telecommunications & Media

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, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
Tel : +603 2173 1188
Fax : +603 2173 1288
Email : pwcmsia.info@my.pwc.com



Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF AXIATA GROUP BERHAD (“AXIATA” OR “COMPANY”) WILL BE HELD AS A FULLY 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 TUESDAY, 15 JUNE 2021 AT 10.00 A.M. FOR THE FOLLOWING PURPOSES:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Report of the Directors and the Auditors thereon.
2. 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) Thayaparan S Sangarapillai **(Ordinary Resolution 1)**
 - ii) Khoo Gaik Bee **(Ordinary Resolution 2)**
3. To re-elect the following Directors, each of whom retires pursuant to Clause 110 (ii) of the Constitution and being eligible, offers himself for re-election:
 - i) Tan Sri Dr Halim Shafie **(Ordinary Resolution 3)**
 - ii) Syed Ali Syed Salem Alsagoff **(Ordinary Resolution 4)**
 - iii) Ong King How **(Ordinary Resolution 5)**
4. To approve the following payment by the Company:
 - a) Directors’ fees with effect from the 29th Annual General Meeting until the next Annual General Meeting:

	Non-Executive Chairman (“NEC”)/per month (RM)	Non-Executive Director (“NED”)/per month (RM)
<u>As approved at the 28th AGM</u>		
i) Directors’ fees	30,000.00	20,000.00
ii) Directors’ fees of the Board Audit Committee	4,000.00	2,000.00
iii) Directors’ fees of the Board Nomination & Remuneration Committee	1,200.00	800.00
<u>New approval at the 29th AGM</u>		
iv) Directors’ fees of the Board Risk & Compliance Committee	3,000.00	1,500.00

(each of the foregoing payments being exclusive of the others).

- b) Benefits payable to NEC and NEDs from the 29th Annual General Meeting until the next Annual General Meeting. **(Ordinary Resolution 6)**
5. To approve the payment of fees and benefits payable by the subsidiaries to the NEDs of the Company from the 29th Annual General Meeting until the next Annual General Meeting. **(Ordinary Resolution 7)**
6. To approve:
 - a) The revised accrued fees of the NEC and NED of the Board Risk & Compliance Committee (“BRCC”) for the NEC and NED of BRCC from 20 February 2020, being the date of the assumption of expanded duties and responsibilities to further strengthen risk and compliance and consequent thereto the renaming of the Board Risk Management Committee to BRCC, up to the date of 29th Annual General Meeting; and **(Ordinary Resolution 8)**
 - b) The accrued payment of the travel allowance benefit payable to Non-Resident NEDs for attending meetings of the Board of the Company and the Board of its subsidiaries virtually, to be applicable for the period from 1 January 2020 until the 29th Annual General Meeting. **(Ordinary Resolution 9)**
7. To re-appoint PricewaterhouseCoopers PLT having consented to act as the Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 10)**

AS SPECIAL BUSINESS:

8. **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 Part A of the Circular to Shareholders dated 17 May 2021 (Circular) which is made available together with the Company’s Integrated Annual Report 2020 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;

Notice Of Annual General Meeting

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 11)

9. PROPOSED AWARD OF AXIATA SHARES TO DATO' MOHD IZZADDIN IDRIS PURSUANT TO THE LONG-TERM INCENTIVE PLAN (LTIP) (PROPOSED AWARD)

"**THAT** pursuant to the establishment of the LTIP for the eligible employees and Executive Directors of Axiata and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the conditions of eligibility for participation in the LTIP as approved by the shareholders at the Annual General Meeting held on 25 May 2016 and subject to the approval of the relevant authorities (if any), the Board of Directors of the Company (Board) be and is hereby authorised to, at any time and from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the Bye-Laws, grant Dato' Mohd Izzaddin Idris, Managing Director/President & Group Chief Executive Officer of the Company, up to 2,923,434 Axiata Shares to be issued to and/or vested in him pursuant to the Proposed Award.

AND THAT the Board be and is hereby authorised to allot and issue new Axiata Shares pursuant to the LTIP to him from time to time pursuant to the Proposed Award."

(Ordinary Resolution 12)

10. 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 29th 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 ("SICDA") to issue a General Meeting Record of Depositors as at 4 June 2021. Only a depositor whose name appears in the General Meeting Record of Depositors as at 4 June 2021 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

17 May 2021

NOTES:

Fully 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 29th 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 29th AGM.*
3. *Shareholders and proxies will have to register to attend the 29th 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 29th 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://tiih.online>, by selecting 'e-Services' to login and submit the questions electronically no later than Monday, 14 June 2021 at 10.00 a.m. The Chairman or Board of Directors will endeavour to address the questions received at the 29th AGM.*
5. *Shareholders and proxies may also pose questions via real time submission of typed text at the 29th AGM via Tricor's TIH Online website at <https://tiih.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.*
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 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.

Notice Of Annual General Meeting

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 fully virtual meeting, we strongly advise the members who are unable to attend, speak and vote at this 29th 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 29th 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 29th 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 29th 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 no later than Monday, 14 June 2021 at 10.00 a.m. The proxy appointment may also be lodged electronically via Tricor’s TIIH Online website at: <https://tiih.online> no later than Monday, 14 June 2021 at 10.00 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 2020 (FY20) 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.

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. Thayaparan S Sangarapillai and Khoo Gaik Bee are standing for re-election as Directors and being eligible, have offered themselves for re-election.

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. Tan Sri Dr Halim Shafie and Syed Ali Syed Salem Alsagoff who were both appointed on 1 November 2020 and Ong King How who was appointed on 28 August 2020 are standing for re-election as Directors of the Company.

The Board has recommended the re-election of the abovementioned Directors. The assessment of the Directors seeking re-election are provided in the Corporate Governance Overview Statement of the Integrated Annual Report 2020. Their profiles are set out in the Profile of Directors’ section of the Governance & Audited Financial Statements 2020 (“GAFS”) on pages 5 and 6.

Any Director referred to in Ordinary Resolution 1 to 5 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 29th AGM.

Notice Of Annual General Meeting

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 of the Directors' fees for Board and Board Committees and benefits payable was obtained at the 28th AGM held on 29 July 2020. There is no revision to the remuneration of the Directors save for the new remuneration for the BRCC which had assumed expanded roles and responsibilities to further strengthen risk and compliance matters of the Group. Details of Directors' fees and benefits paid to NEDs are set out on page 7 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
<u>As approved at the 28th AGM</u>		
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
Other Board Committees	1,500.00	1,000.00
<u>New approval at the 29th AGM</u>		
Board Risk & Compliance Committee	2,250.00	1,500.00

For guidance, the estimated amount of Meeting Allowances paid to NEDs of Axiata for Board and Board Committee meetings held in FY20 are disclosed on page 7 of the GAFS.

- ii) Benefits such as annual overseas business development trips, leave passage, travel allowance, travel allowance for non-resident NEDs which includes the extension of this allowance to attendance of Board meetings virtually as indicated in Clause 13(b)(iii) below, equipment, telecommunication facilities, insurance and medical.

- iii) Extension of Travel Allowance for Non-Resident NEDs

Depending on the place of a Non-Resident NED's official residence, a travel allowance of between USD1,000 to USD3,000 is payable for each trip a Non-Resident NED takes to travel to Malaysia to attend a Board or Board Committee meeting. Following from the severe and extensive restrictions imposed on global travel arising from the COVID-19 pandemic, Non-Resident NEDs have been required to attend Board and Board Committee meetings virtually, in most instances at inconvenient times due to the differing time zones. In order to alleviate such inconvenience and recognise the added commitment required of the Non-Resident NEDs, the same rate of travel allowance is proposed to be made payable despite no travel being undertaken subject however that the travel allowance is payable only once per month if the Non-Resident NED attends a virtual Board or Board Committee meeting during the period. It is proposed that the revision to the payment of travel allowance be applied retrospectively from January 2020 which is the period when extensive restrictions on global travel commenced and continue to be effective thereafter. The revision to the payment of travel allowance would not involve an increase in expenses as no changes in rates are proposed and that the same expenses would be incurred if travel was undertaken. In addition, there would be savings from flight tickets and other related expenses thereto.

- c) Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 6 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. Ultimately, 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. There is no revision to the amount proposed other than the revised fees for PT XL Axiata Tbk, new remuneration for Independent NEC and NED for Robi Axiata Limited and new remuneration for a new Board Committee, BRCC of the respective subsidiary which was established in 2020.

i) Fees and Meeting Allowance

Company	Designation	Monthly Fees (RM unless indicated otherwise)	Meeting Attendance per Meeting (RM unless indicated otherwise)				
			Board of Directors	BAC	BRCC	BNC/BRC	Other Committees
Celcom Axiata Berhad	NEC	12,000.00	2,000.00	2,000.00	1,500.00	1,000.00 (BRC Only)	500.00
	NED	8,000.00	1,500.00	1,500.00	1,200.00	750.00 (BRC Only)	350.00
PT XL Axiata Tbk.	President*	IDR135M	IDR6M	-	-	-	-
	BOC, Member*	IDR92M	IDR6M	-	-	-	-
	BAC, Chairman*	IDR30M	-	-	-	-	-
	BAC, Member*	IDR10M – IDR72M	-	-	-	-	-
	BRCC, Chairman*	IDR25M	-	-	-	-	-
	BRCC, Member*	IDR10M	-	-	-	-	-
	Nominating and Remuneration Committee (NRC), External Member*	IDR66M	-	-	-	-	-
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	USD2,500.00	USD300.00	USD300.00	USD225.00	USD150.00 (BNC & BRC)	-
	NED	USD2,000.00	USD200.00	USD200.00	USD150.00	USD100.00 (BNC & BRC)	-
	Independent NEC#	-	-	BDT10,000.00	BDT10,000.00	BDT10,000.00	-
	Independent NED#	BDT125,000.00	-	BDT8,000.00	BDT8,000.00	BDT8,000.00	-
Ncell Axiata Limited (formerly known as Ncell Private 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 (BNC & BRC)	-
	NED	USD1,200.00	USD300.00	USD300.00	USD150.00	USD150.00 (BNC & BRC)	-

* Revised Fees and Meeting Allowance effective 1 February 2021 as approved by the NRC of PT XL Axiata Tbk on 11 February 2021.

Remuneration for Independent NEC and NED effective 1 February 2021 as approved by the Board of Directors of Robi Axiata Limited on 15 February 2021.

Notice Of Annual General Meeting

- ii) The comparison between the Fees and Meeting Allowance for PT XL Axiata Tbk as approved by the shareholders of the Company at the 28th AGM held on 29 July 2020 and the revised Fees and Meeting Allowance effective 11 February 2021 are as follows:

Designation	As approved by the shareholders of the Company at the 28 th AGM		Revised	
	Monthly Fees	Meeting Attendance per Meeting Board of Directors	Monthly Fees	Meeting Attendance per Meeting Board of Directors
President	IDR120M	IDR5M	IDR135M	IDR6M
BOC, Member	IDR84M	IDR5M	IDR92M	IDR6M
BAC, Chairman	IDR26M	-	IDR30M	-
BAC, Member	IDR10M - IDR66M	-	IDR10M - IDR72M	-
BRCC, Chairman	-	-	IDR25M	-
BRCC, Member	-	-	IDR10M	-
NRC, External Member	IDR60M	-	IDR66M	-

- iii) 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 Clause 13(b)(iii) above.

Notes:

For reference on the directorship of Axiata NEDs on the Board of subsidiaries and amount paid for the FY20 which provides an estimate, please refer to page 7 of the GAFS.

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.

- iv) 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 Subsidiaries.

Revised Accrued Fees for BRCC

15. a) Shareholders' approval is required for the revised accrued fees of the NEC and NED of the BRCC pursuant to Clause 117(i) of the Constitution and payment of Meeting Allowance pursuant to Section 230(1) of the Companies Act 2016 from 20 February 2020 up to the date of the 29th AGM as follows:

- i) Directors' Fees

	NEC/per month (RM)	NED/per month (RM)
Directors' fees	3,000.00	1,500.00

- ii) Meeting Allowance

	NEC/per meeting (RM)	NED/per meeting (RM)
Meeting Allowance	2,250.00	1,500.00

The total Directors' fees and meeting allowances of BRCC accrued from 20 February 2020 to the date of 29th AGM, 15 June 2021 are estimated to be RM93,472 and RM12,250 respectively.

- b) Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 8 on the Revised Accrued Fees of the NED and NEC of the BRCC.

Notice Of Annual General Meeting

Extension of Travel Allowance for Non-Resident NEDs

16. a) Shareholders' approval is required for the extension of Travel Allowance for the Non-Resident NEDs pursuant to Section 230(1) of the Companies Act 2016 from 1 January 2020 until the 29th AGM.

The total extended Travel Allowance accrued from 1 January 2020 to the date of the 29th AGM is estimated to be USD51,000 (equivalent to RM214,200).

The extended Travel Allowance is expected to continue to be paid to the Non-Resident NEDs after the 29th AGM until the restrictions imposed on global travel are lifted and travel may be safely undertaken thereafter.

- b) Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 9 on the Extension of Travel Allowance for Non-Resident NEDs.

Re-appointment of Auditors

17. The Company and the Board Audit Committee (BAC) has 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 its meeting held on 22 and 24 February 2021 respectively, 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 appointment of PwC as external auditors of the Company for the financial year ending 31 December 2021, in accordance with Sections 273(b), 340(1)(c) and Section 274(1)(a) of the Companies Act 2016.

EXPLANATORY NOTES - SPECIAL BUSINESS

- I) **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 11, 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 Part A of the Circular.

- II) **Proposed Award**

The shareholders of the Company has, at the Annual General Meeting held on 25 May 2016, approved the allocation of Axiata Shares under the LTIP to the eligible employees and Executive Directors and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the conditions of eligibility for participation in the LTIP.

The proposed Ordinary Resolution 12, if passed, will enable the Company to award Dato' Mohd Izzaddin Idris, the Managing Director/President & Group Chief Executive Officer of the Company, up to 2,923,434 Axiata Shares to be issued to and/or vested in him pursuant to the LTIP over a period of five (5) years commencing from the date of this AGM on which the Proposed Award takes effect until the expiry of the LTIP. Detailed information on the Proposed Award is set out in Part B of the Circular.

Dato' Mohd Izzaddin Idris will abstain and has also undertaken to ensure that persons connected to him will abstain from voting on this resolution. He has also abstained from all deliberations and voting on this resolution at the Board of Directors' Meeting.

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 29TH 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. Thayaparan S Sangarapillai
2. Khoo Gaik Bee

Clause 110(ii): Retirement after appointment to fill casual vacancy

1. Tan Sri Dr Halim Shafie
2. Syed Ali Syed Salem Alsagoff
3. Ong King How

The profiles of the above Directors are set out in the Profile of Directors' section of the Governance & Audited Financial Statements 2020 on pages 5 and 6.

None of the above Directors have any interest in the securities of the Company and its related corporations.

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 29th Annual General Meeting of **AXIATA GROUP BERHAD** to be held as a fully 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 Tuesday, 15 June 2021 at 10.00 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 29th Annual General Meeting of **AXIATA GROUP BERHAD** to be held as a fully 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 Tuesday, 15 June 2021 at 10.00 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"	
TOTAL	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.	Ordinary Business Ordinary Resolution 1 - Re-election of Thayaparan S Sangarapillai				
2.	Ordinary Resolution 2 - Re-election of Khoo Gaik Bee				
3.	Ordinary Resolution 3 - Re-election of Tan Sri Dr Halim Shafie				
4.	Ordinary Resolution 4 - Re-election of Syed Ali Syed Salem Alsagoff				
5.	Ordinary Resolution 5 - Re-election of Ong King How				
6.	Ordinary Resolution 6 - Directors' Fees and Benefits Payable by the Company				
7.	Ordinary Resolution 7 - Directors' Fees and Benefits Payable by the Subsidiaries				
8.	Ordinary Resolution 8 - Revised Accrued Fees of the NEC and NED for Board Risk & Compliance Committee				
9.	Ordinary Resolution 9 - Accrued Payment of Travel Allowance Benefit Payable to Non-Resident NEDs for attending meetings of the Board of the Company and Board of Subsidiaries Virtually				
10.	Ordinary Resolution 10 - Re-appointment of PricewaterhouseCoopers PLT as Auditors				
11.	Special Business Ordinary Resolution 11 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
12.	Ordinary Resolution 12 - Proposed Award of Axiata Shares to Dato' Mohd Izzaddin Idris pursuant to the Long-Term Incentive Plan (LTIP)				

Signed this _____ day of _____ 2021

No. of ordinary shares held	CDS Account No. of Authorised Nominee *										
		-									

* Applicable to shares held through a nominee account

Signed this _____ day of _____ 2021

Signature(s)/Common Seal of Member(s)

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 initiated.
7. In view that this is a fully virtual meeting, we strongly advise members who are unable to attend, participate, speak and vote at this 29th Annual General Meeting ("29th 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, participate and vote remotely via RPV at the 29th 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, participate and vote remotely at the 29th AGM via the RPV on his/her/their behalf.
 - c) Authorised nominees, exempt authorised nominees and corporate members shall refer to the Administrative Notes of the 29th 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 no later than Monday, 14 June 2021 at 10:00 a.m. The proxy appointment may also be lodged electronically via Tricor's TIH Online Website at <https://tih.online> no later than Monday, 14 June 2021 at 10:00 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 29th 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 29th 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 4 June 2021. Only a depositor whose name appears in the General Meeting Record of Depositors as at 4 June 2021 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his/her behalf.

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The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
[1971010000970 (11324-H)]
Unit 32-O1, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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