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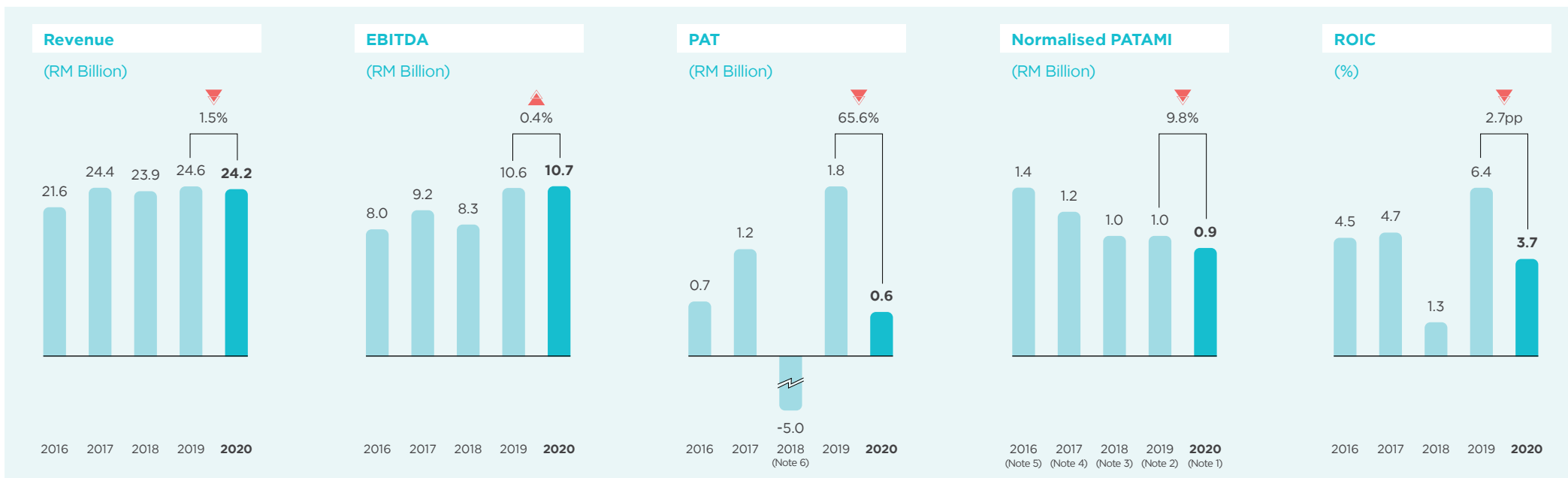
Achieving 70% reduction in carbon emissions per site through innovative use of bamboo towers.

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**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)<sup>Note 6</sup>, 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).

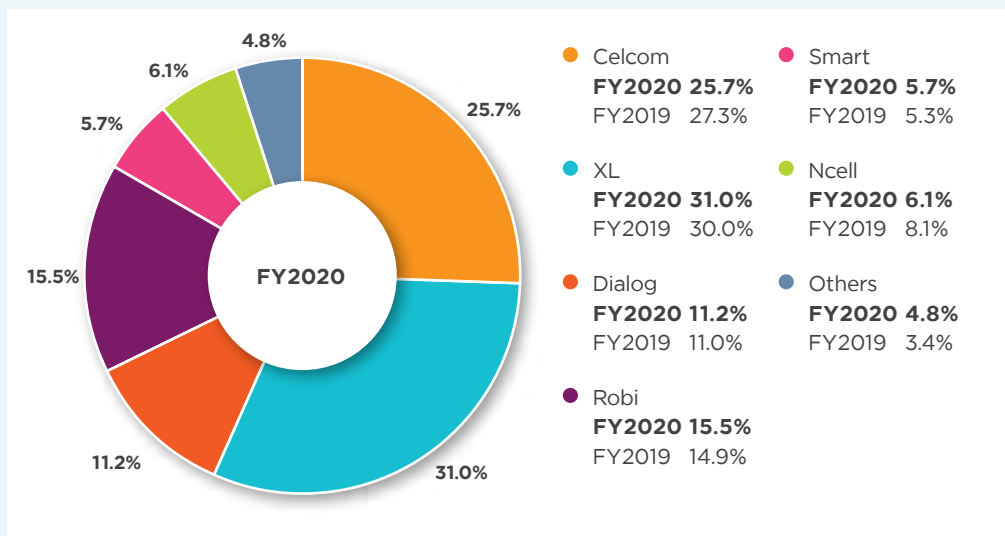
**Note 6** 2018 is based on restated financials.

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

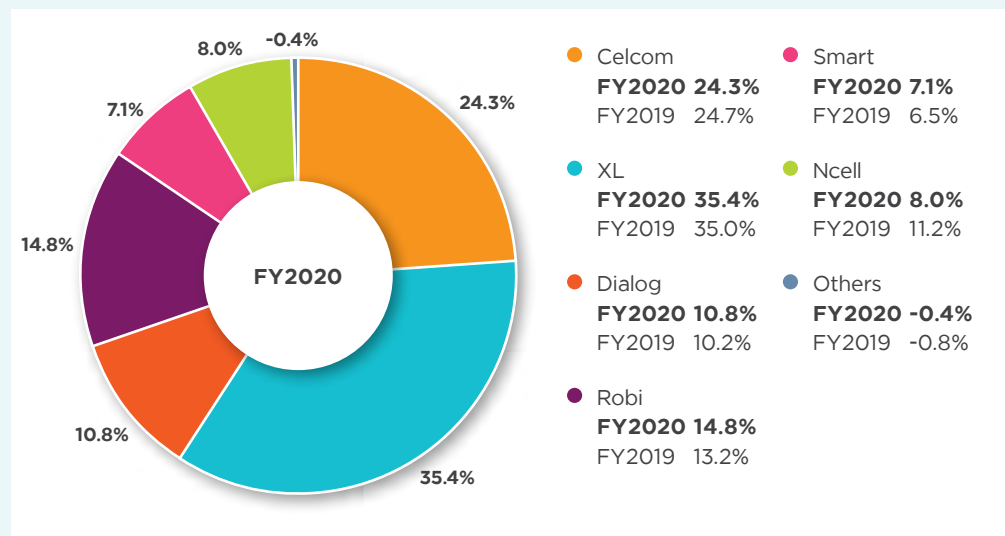
# Financial Review

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

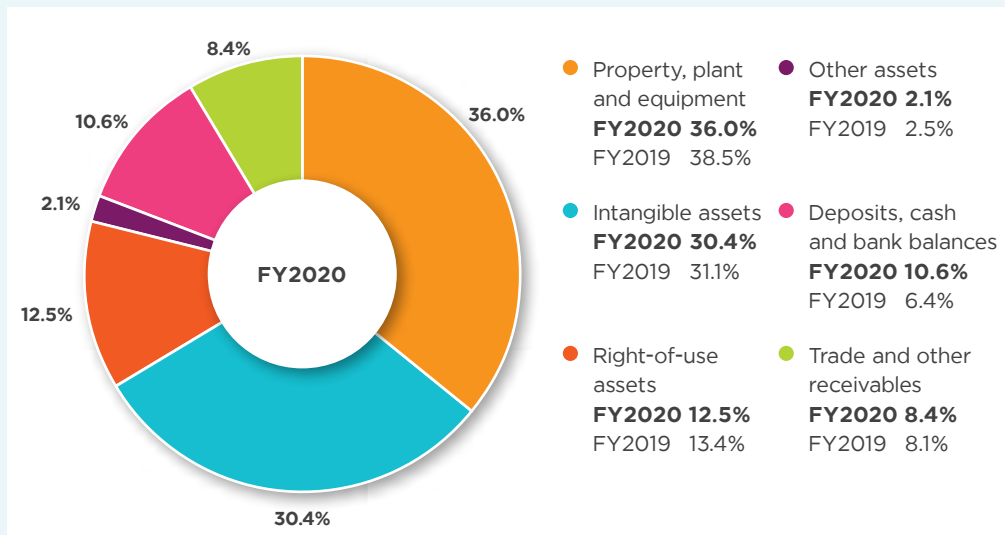
### Revenue



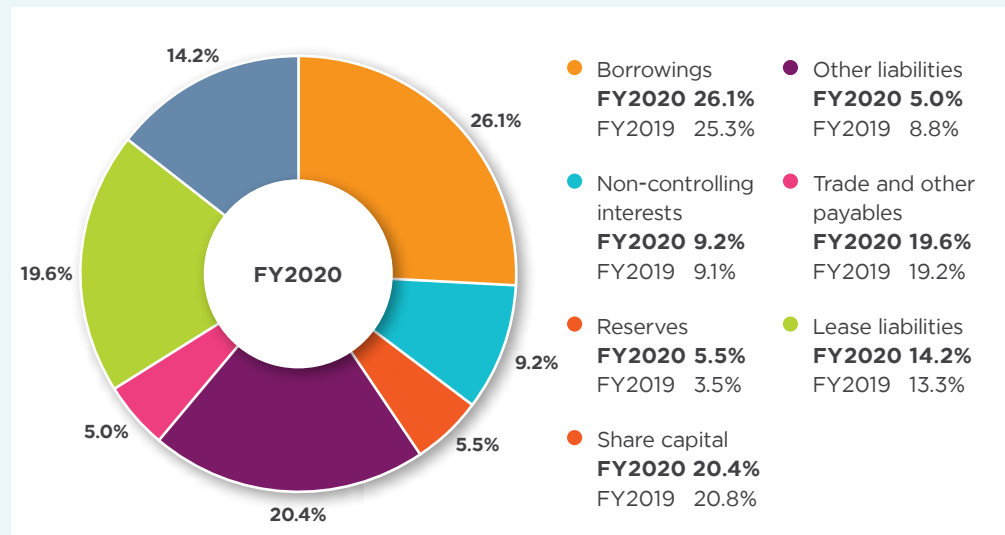
### EBITDA



### Total Assets



### Total Liabilities & Equity



# Financial Review

## FIVE-YEAR GROUP FINANCIAL SUMMARY

### Operational Highlights

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

### Growth Rates YoY

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

### Share Information

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

### Financial Ratio

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

### Notes:

<sup>1</sup> 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).

<sup>2</sup> FY2019, FY2018 and FY2016 are based on restated financials.

<sup>3</sup> From FY2018 to FY2020 customers exclude Idea and M1 customers.

<sup>4</sup> EBIT less tax over average invested capital.

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

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

<sup>7</sup> 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	<b>24,203,171</b>	24,583,312
Operating costs:		
- depreciation, impairment and amortisation	<b>(8,484,994)</b>	(7,084,236)
- foreign exchange (losses)/gains	<b>(196,083)</b>	5,421
- domestic interconnect, international outpayment and other direct costs	<b>(1,822,171)</b>	(1,980,257)
- marketing, advertising and promotion	<b>(1,892,272)</b>	(2,001,470)
- other operating costs	<b>(7,305,590)</b>	(7,406,798)
- staff costs	<b>(2,227,532)</b>	(2,220,200)
- net impairment on receivables and amounts due from subsidiaries	<b>(298,731)</b>	(355,437)
Other gains/(losses) - net	<b>2,693</b>	(22,601)
Other income - net	<b>516,393</b>	714,392
Profit before finance cost	<b>2,494,884</b>	4,232,126
Finance income	<b>177,183</b>	230,468
Finance cost excluding net foreign exchange gains on financing activities	<b>(1,693,067)</b>	(1,738,473)
Net foreign exchange gains on financing activities	<b>173,395</b>	59,085
	<b>(1,519,672)</b>	(1,679,388)
Associates		
- share of results (net of tax)	<b>17,862</b>	(647)
Joint ventures		
- share of results (net of tax)	<b>860</b>	(2,819)
Profit before taxation	<b>1,171,117</b>	2,779,740
Taxation and zakat	<b>(547,072)</b>	(964,644)
Profit for the financial year	<b>624,045</b>	1,815,096
Profit for the financial year attributable to:		
- owners of the Company	<b>365,155</b>	1,457,550
- non-controlling interests	<b>258,890</b>	357,546
	<b>624,045</b>	1,815,096
Earnings per share (sen)		
- basic	<b>4.0</b>	16.0
- diluted	<b>4.0</b>	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	<b>24,167,782</b>	24,875,636
Payments to suppliers, employees and others	<b>(15,053,690)</b>	(13,413,645)
Payment of finance costs	<b>(1,400,405)</b>	(1,689,589)
Payment of income taxes and zakat (net of refunds)	<b>(576,986)</b>	(1,233,788)
Total cash flows from operating activities	<b>7,136,701</b>	8,538,614
Purchase of PPE (net proceeds from disposal)	<b>(4,518,966)</b>	(6,770,736)
Acquisition of intangible assets	<b>(596,723)</b>	(429,628)
Investment in deposits maturing more than three (3) months	<b>601,802</b>	133,618
Investment in subsidiaries (net of cash acquired)	-	21,451
Investment in associates	<b>(16,797)</b>	(14,664)
Investment in joint ventures	<b>(11,169)</b>	-
Disposal of associates	-	1,649,256
Interest received	<b>192,101</b>	230,232
Purchase of other investments	<b>(1,953)</b>	(33,030)
Disposal of other investments	<b>150,582</b>	97,500
Net proceeds from sale of towers	<b>580,790</b>	-
Disposal of rights on right issue of a financial asset at FVTOCI	-	96,149
Payments for ROU assets	<b>(22,495)</b>	(41,336)
Settlement of derivative financial instrument	-	(38,712)
Others	<b>4,237</b>	241
Total cash flows used in investing activities	<b>(3,638,591)</b>	(5,099,659)
Proceeds from/(Repayments of) borrowings and Sukuk (net)	<b>1,393,400</b>	(2,352,263)
Sale and leaseback towers	<b>561,908</b>	-
Additional investment in subsidiaries by the Group	-	(90,704)
Additional investment in subsidiaries by NCI	<b>7,897</b>	82,444
Capital injection in a subsidiary by NCI	<b>294,000</b>	-
Proceed from IPO of a subsidiary	<b>184,092</b>	-
Repayments of lease liabilities	<b>(1,328,392)</b>	(1,207,992)
Share buyback of a subsidiary	<b>(40,469)</b>	-
Dividends paid	<b>(852,732)</b>	(613,669)
Others	<b>9,596</b>	16,389
Total cash flows from/(used in) financing activities	<b>229,300</b>	(4,165,795)
Net increase/(decrease) in cash and cash equivalents	<b>3,727,410</b>	(726,840)
Exchange gains/losses and restricted cash	<b>(20,353)</b>	(45,803)
Cash and cash equivalents at the beginning of the financial year	<b>3,015,105</b>	3,787,748
Cash and cash equivalents at the end of the financial year	<b>6,722,162</b>	3,015,105
Bank overdraft	<b>116,555</b>	134,442
Deposits and others	<b>355,537</b>	1,081,552
Deposits, cash and bank balances	<b>7,194,254</b>	4,231,099

# Financial Review

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

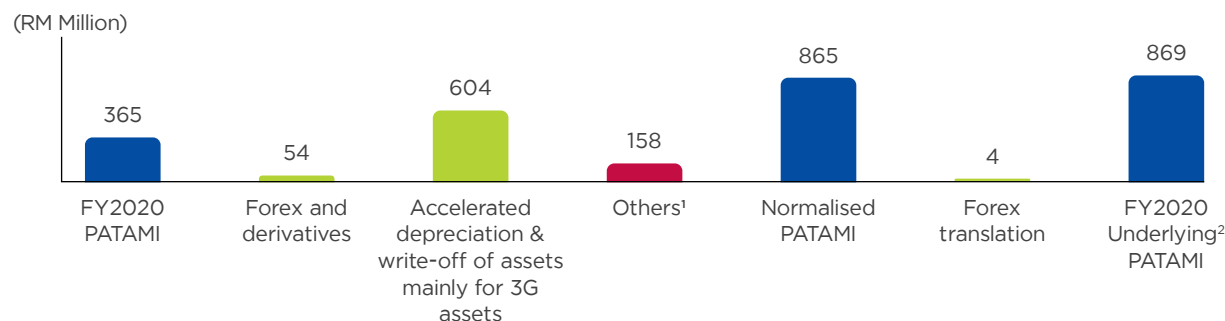
- ▶ The savings comprised operating expenses (opex) at 42% and capital expenditure (capex) at 58% and across functional cost areas with network contributing the most
- ▶ Other areas included customer operations, sales and marketing, new subscriber acquisition and channel commissions. Vendor negotiations 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 underlying<sup>2</sup> PATAMI as indicated below:

#### Bridging of FY2020 Reported PATAMI to Underlying PATAMI



Notes: <sup>1</sup> Others include gain on disposal of towers, purchase price allocations amortisation  
<sup>2</sup> 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 <sup>1</sup>
Revenue Growth <sup>2</sup>	3.5 - 4.5%
EBITDA Growth	4.0 - 5.5%
Return on Invested Capital <sup>3</sup> (ROIC)	5.5 - 6.0%

Notes:

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

<sup>2</sup> Revenue is based on Revenue excluding device

<sup>3</sup> 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 plants on a rooftop garden. She is holding a blue watering can. The garden is lush with green plants, including a large green leafy plant in the foreground. In the background, there are wooden trellises with hanging pots of red flowers and a building with a white facade. The sky is blue with some clouds. The overall scene is bright and sunny.

**Shraddha Bhattarai**

Specialist, Legal  
& Corporate Services Department  
Ncell Axiata

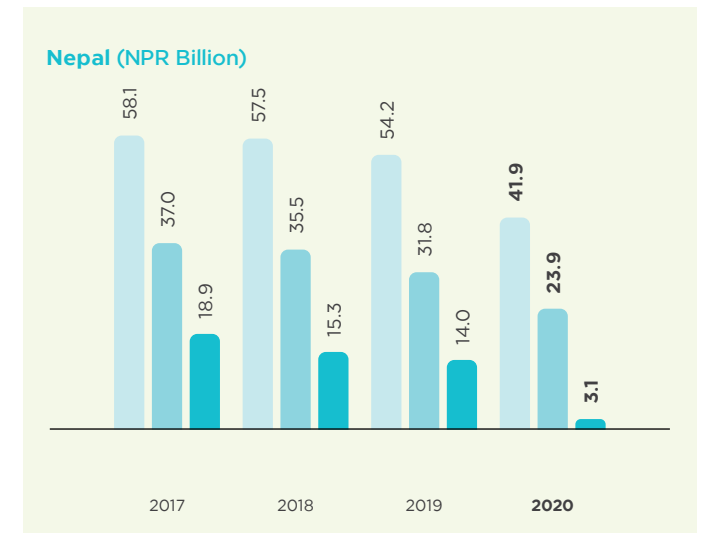
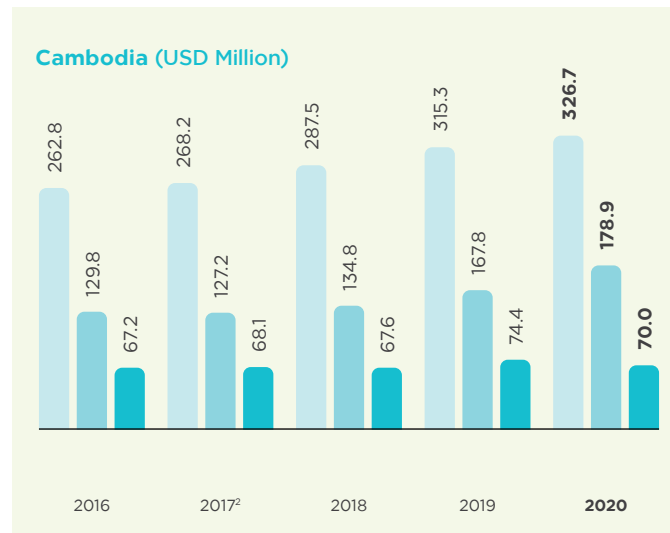
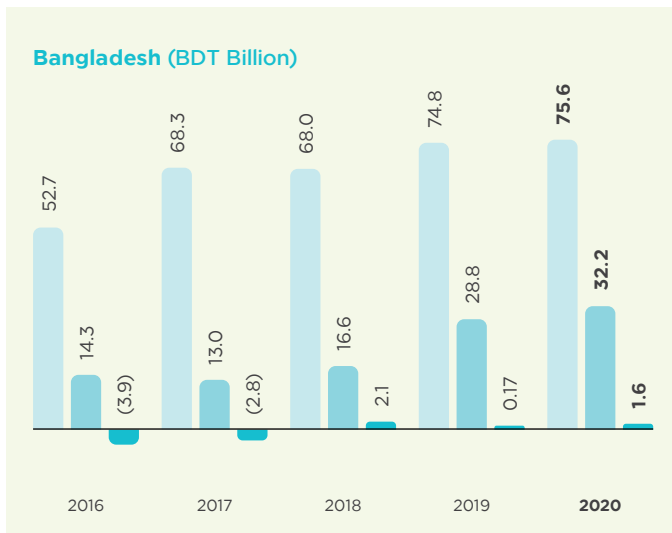
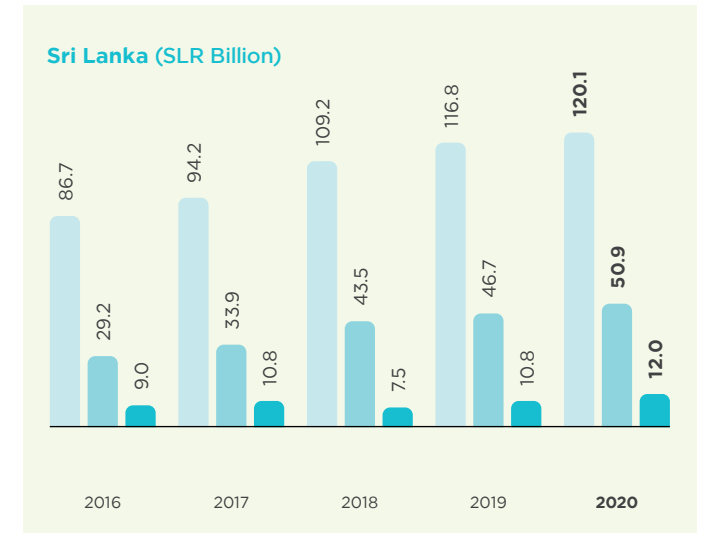
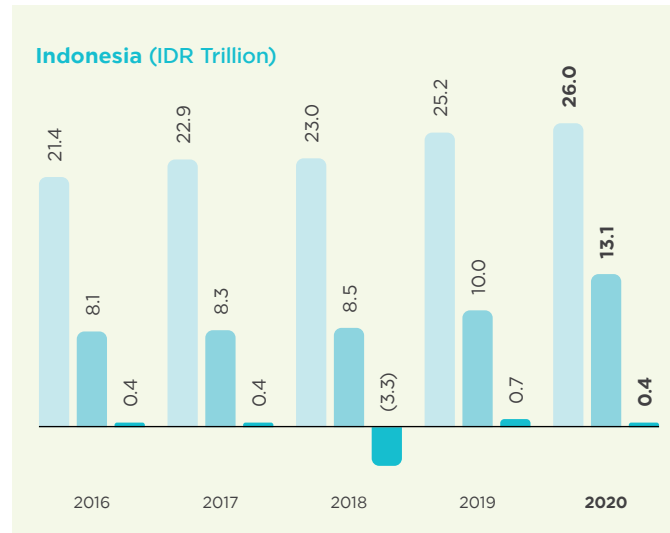
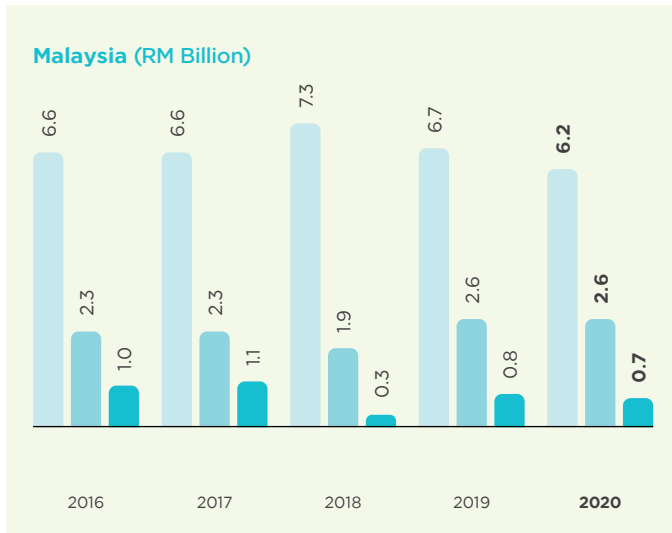
Terrace gardening to grow  
my family's supply of vegetables.

**#ItBeginsWithMe**

**DELIVERING  
OUR STRATEGY**

# 2020 Overview Of Digital Telcos' Performance

## Reporting By Geographical Location<sup>1</sup>



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




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

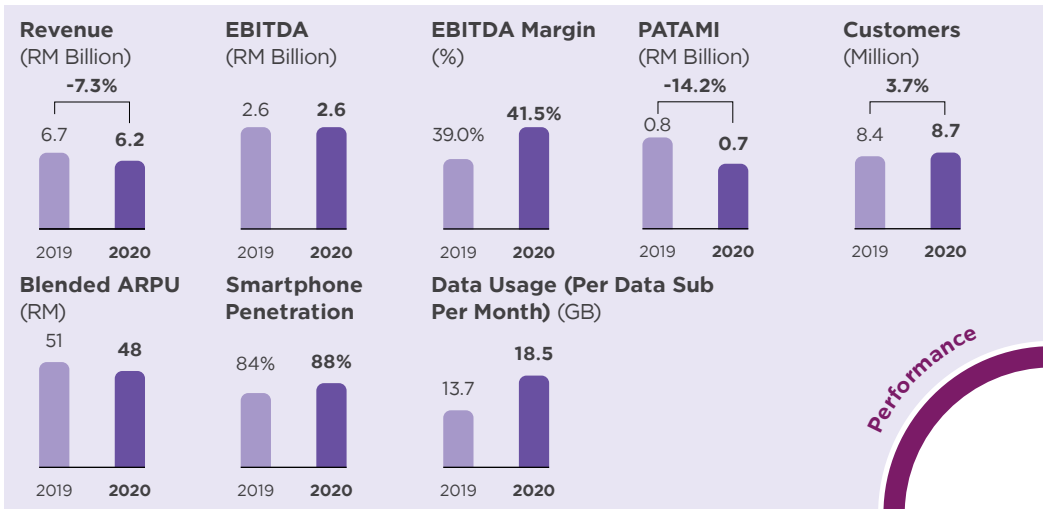
<sup>2</sup> 2017 figures have been restated to exclude edotco Cambodia's results, for like to like comparison with 2018 figures

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



<sup>4</sup> 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

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





<b>Implemented various safety measures at the workplace</b> to contain the pandemic, prioritising employee wellbeing and safety always 	<b>Consistently carried out multi-level communication programmes</b> throughout 2020 resulting in higher employee engagement 	<b>Adapted to new norms: Fast adoption of Work-From-Home (WFH)</b> and new ways of working - Provided digital tools to drive productivity and facilitate collaboration 
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<b>Completed workforce rationalisation programme</b> towards a leaner workforce 	<b>Fighting spirit reignited</b> throughout the organisation to win back the market evident with turnaround performance since second half of 2020 
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Rolling 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





<b>Leading in the 5G era via multiple industry collaborations</b> for fiber sharing and 5G networks 	<b>Contributing to the national Universal Service Provision programme</b> 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"> <li>▶ 5G Langkawi demonstration</li> <li>▶ 5G and Smart Solutions partnership with Sunway City and Huawei</li> <li>▶ 5G Centre of Excellence with University Teknologi Malaysia and Ericsson</li> <li>▶ 5G demo network in PJ Smart City</li> </ul>
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Implemented programmes that <b>empower the underserved in the digital economy and provide equitable access to education</b> such as DesaMall, Mahir Digital Felda, SiswaCommerce, IbuDigital, Tuisyen Pintar and Mahir Tutor 	The Green office@celcom initiative helped to <b>reduce employees' carbon footprint</b> via waste management, paperless practice, energy efficient fixtures and many more 
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<b>Embarked on multiple Enterprise collaborations in key focus areas</b> such as healthcare, education, Internet of Things (IoT) and ICT Solutions 	<b>Introduced crowdsourcing dealers' ecosystem "BeBozz"</b> supporting the Gig Economy 	<b>Launched enhanced Vendor Development Programme (VDP) 2.0</b> 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: <sup>1</sup> B40 refers to the bottom 40% households in the country's income distribution

**IAR**

- For more details on Celcom'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 Celcom 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 Celcom's financial performance, please refer to page 52 of the "Our Financial Resilience" section

**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 MCO<sup>1</sup>

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 MVNO<sup>2</sup> 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: <sup>1</sup> MCO = Movement Control Order  
<sup>2</sup> 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

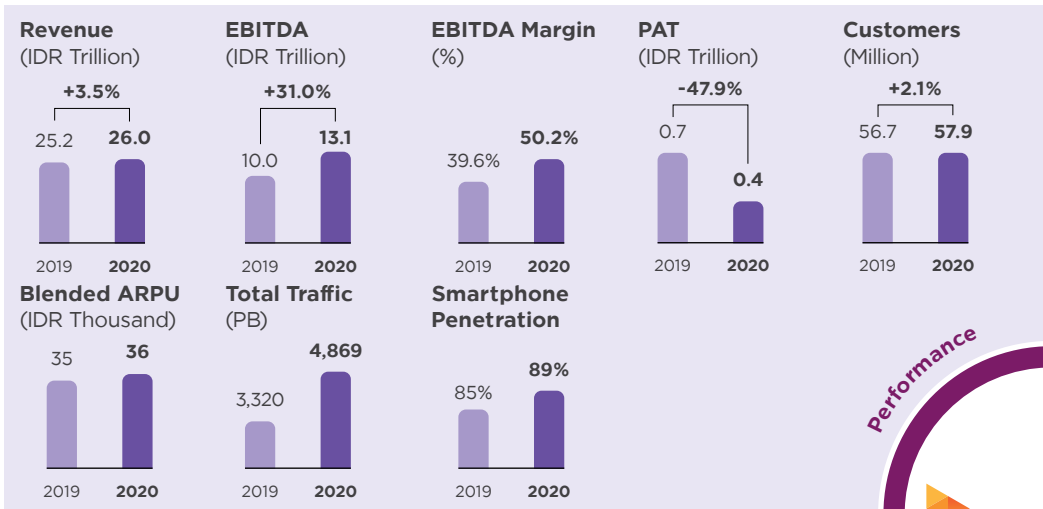
Continue enhancing cost and Operational Efficiency by transforming cost base to deliver YoY improvements in EBITDA and PATAMI

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



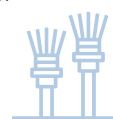
**Transactional Net Promoter Score (NPS) improved by +10 in the fourth quarter of 2020**, driven by proactive network upgrades, new digital support, and refined digital workflows and tools



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

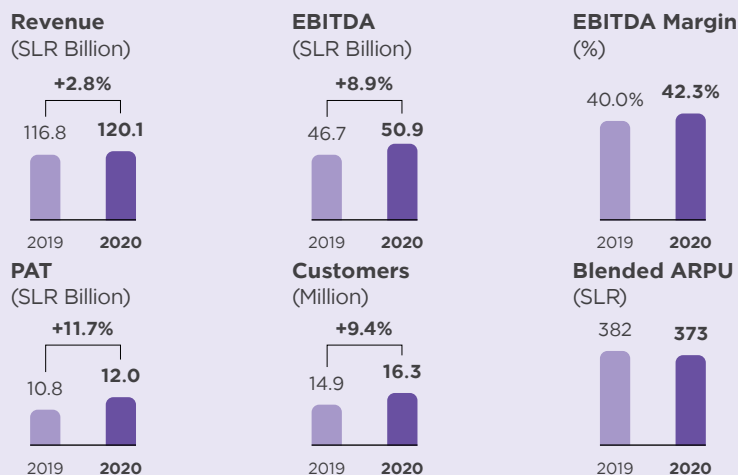
DTV:  
IPTV, DTH (Satellite TV), ViU mini (Android Stick),  
VIU Hub 2.0 (Android TV)

**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



**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



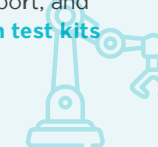
**Progressed with ISO 14001:2015 Environmental Management System implementation, and successfully concluded the final audit in April 2021.** Dialog is the first mobile operator in Sri Lanka to have been formally recommended for ISO 14001:2015 certification for their entire scope of operations



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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**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**

**PAYG<sup>1</sup> rate revised from SLR1 to SLR0.30 per MB**

**Delays in Gamata Sannivedanaya project by TRCSL<sup>2</sup> 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



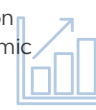
**Expanded fibre footprint to > 4,740 km by end 2020**



**Increased HBB<sup>3</sup> 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 2<sup>nd</sup> consecutive year**

**SLIM-Nielsen Peoples Awards 2020**

- Telecommunication Brand of the Year for 9<sup>th</sup> 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: <sup>1</sup> PAYG = Pay As You Go

<sup>2</sup> TRCSL = Telecommunications Regulatory Commission of Sri Lanka

<sup>3</sup> HBB = Home Broadband

<sup>4</sup> 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

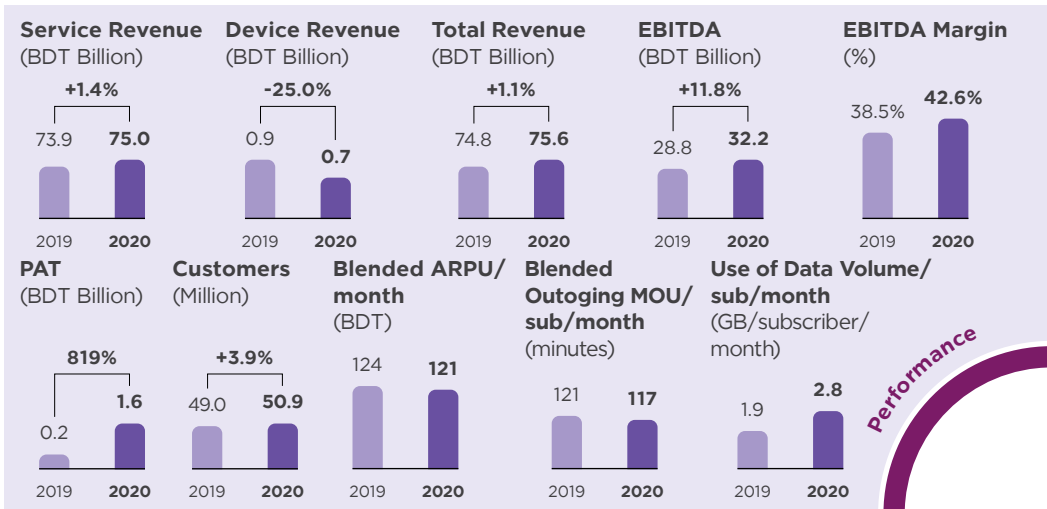
**Technology Deployed:**  
Mobile:  
GSM/EDGE, 3G/HSPA+,  
LTE/LTE-A

**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 MNP<sup>1</sup> lock-in period**

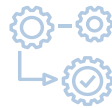
**Business Review in 2020**

**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%**



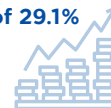
**Data user subscribers increased to 69.2%** of total subscribers in 2020, from 63.8% of total subscribers in 2019



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

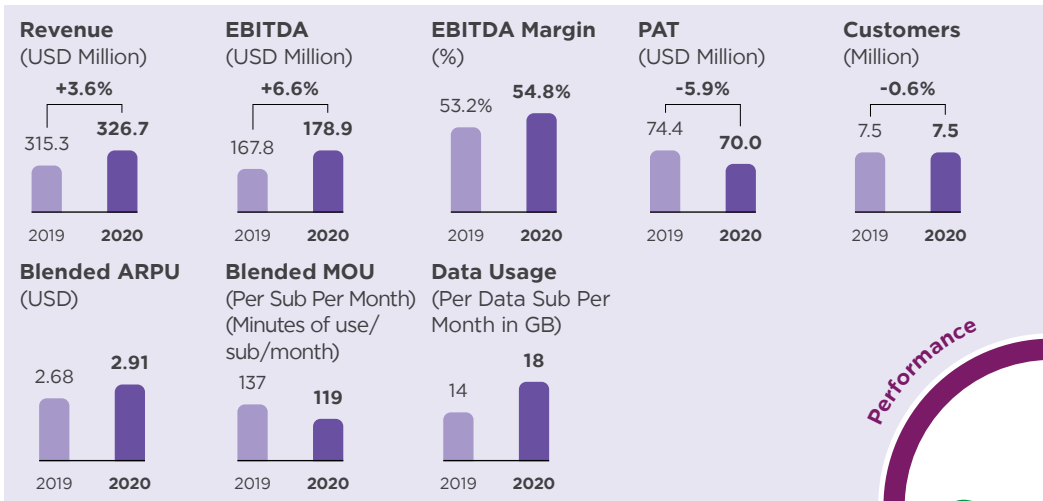
Further entrench of M.A.D. culture within the organisation

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

Note: <sup>1</sup> MNP = mobile number portability

	<b>Year of Investment/Shareholding:</b> 2013/72.48%	<b>Technology Deployed:</b> Mobile: GSM/EDGE, 3G/HSPA+, LTE/LTE-A	<b>No. of BTS:</b> 2G - 2,828 3G - 2,745 4G - 2,863	<b>Network Coverage (by population and technology):</b> 2G - 98.5% 3G - 81.4% 4G - 91.5%	
	<b>Nature of Business:</b> Mobile Telecom Operator				
	<b>Customers:</b> 7.5 million				


Scan QR code to visit Smart's website



<b>Enhanced leadership skills via Smart Leaders Programme</b> for first line managers and addressed competency gaps via the Information and Technical Division Competency Development Programme	<b>Developed capabilities</b> 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	<b>Enhanced governance and ethics awareness</b> through e-learning modules on Code of Conduct, cyber security, anti-bribery and anti-corruption
<b>Enhanced employee engagement and work culture</b> by continuing the Good to Great journey and launching a refreshed Smart identity including mission, vision and core values	<b>Elevated employer branding visibility for both offline and online channels</b> 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	

**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**



<b>Launched Online Major and Career Fair</b> 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)	<b>Piloted Smart IoT Challenge Hackathon to boost digital innovation among youth</b>
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<b>Active industry engagement</b> with Ministry of Posts and Telecommunications (MPTC) and the Telecommunication Regulator of Cambodia (TRC) on the Spectrum Management Sub-decree	<b>Launched the brand campaign, Rise Together</b> , to promote solidarity amongst Cambodians
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<b>Expanded product portfolio</b> 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	<b>Providing the most affordable and innovative mobile bundles</b> , and digital lifestyle and entertainment leader of international and local content, digital services and promoting local artists through music streaming apps and virtual concerts	<b>Industry leader in cyber security protections and safeguards</b>
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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



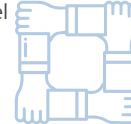
**SmartLuy, Smart's digital wallet,** received approval from the National Bank of Cambodia and **has merged with Pi Pay**



**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

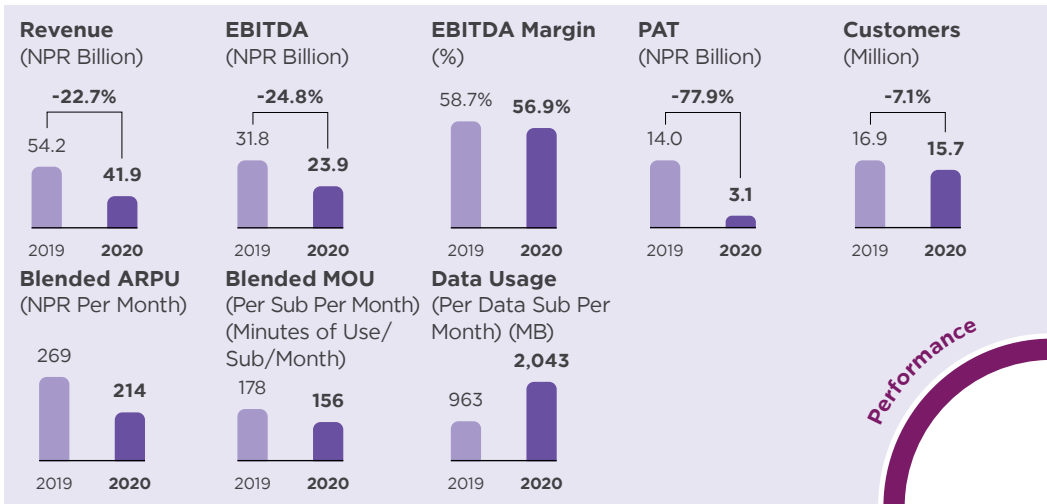
**Technology Deployed:**  
Mobile:  
GSM, EDGE, 3G/HSPA+

**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**




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**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**



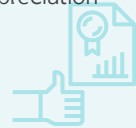
**Commended for Mass COVID-19 Awareness Initiatives** with a Letter of Appreciation from the National Health Education, Information and Communication Centre (NHEICC), Ministry of Health and Population



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



### Operating Environment

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

ISP<sup>1</sup> 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

**NTA<sup>2</sup> 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: <sup>1</sup> ISP = Internet Service Provider  
<sup>2</sup> 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%

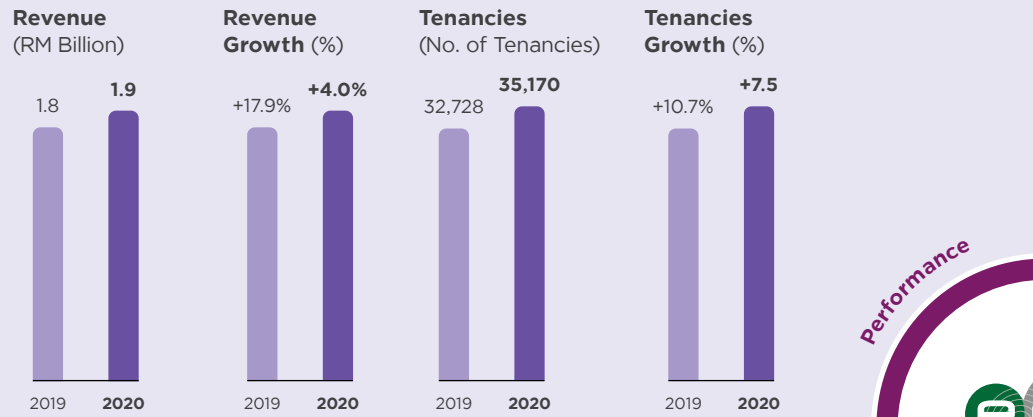
**Nature of Business:**  
Telecommunications Infrastructure and Services



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



Scan QR code to visit edotco's website

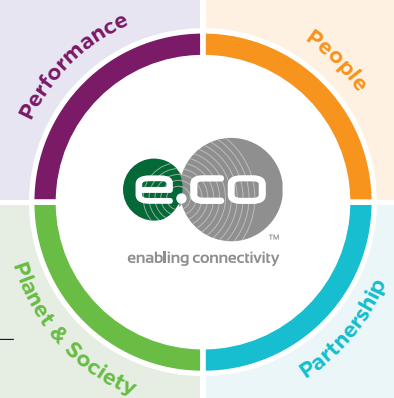


**Recognised for “Engaging Leadership” at the “Kincentric’s Best Employers Award” 2020**

**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



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

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

**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**

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

**Employee Voluntary Engagement Programme (EVE):**  
**900+ Carbon sequestered** from 23,650 trees planted and 25,405kg recyclables collected

**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

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

Two socially driven programmes **supporting UN SDG 2 zero hunger goals**

**Tower Portfolio**

Malaysia	Sri Lanka	Bangladesh	Cambodia	Myanmar	Pakistan	Laos
<b>4,682</b> Towers Owned	<b>236</b> Towers Owned	<b>10,790</b> Towers Owned	<b>2,836</b> Towers Owned	<b>2,122</b> Towers Owned	<b>1,649</b> Towers Owned	<b>14</b> Towers Owned
<b>8,144</b> Towers Managed	<b>239</b> Tenancies	<b>1,088</b> Towers Managed	<b>1,000</b> Towers Managed	<b>1,026</b> Towers Managed	<b>2,139</b> Tenancies	<b>14</b> Tenancies
<b>9,217</b> Tenancies	<b>1.01x</b> Tenancy Ratio	<b>15,381</b> Tenancies	<b>3,894</b> Tenancies	<b>4,286</b> Tenancies	<b>1.30x</b> Tenancy Ratio	<b>1.00x</b> Tenancy Ratio
<b>1.97x</b> Tenancy Ratio		<b>1.43x</b> Tenancy Ratio	<b>1.37x</b> Tenancy Ratio	<b>2.02x</b> 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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**SNCR** For more details on edotco's sustainability initiatives and outcomes, please refer to the SNCR  
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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 B2S<sup>1</sup> and +1,061 colocations**  
**Grew IBS<sup>2</sup> 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 PNB<sup>3</sup> 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 Inc<sup>4</sup> received 5-year ITC<sup>5</sup> Registration authorisation** from the Philippines DICT<sup>6</sup>



**PTA<sup>7</sup> awarded Telecom Infrastructure License to edotco Pakistan**



**Frost & Sullivan's 2020 Asia Pacific Telecoms Tower Company of the Year for the 4<sup>th</sup> 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: <sup>1</sup> B2S = Build-to-suit  
<sup>2</sup> IBS = In-Building Solutions

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

<sup>5</sup> ITC = Independent Tower Company  
<sup>6</sup> DICT = Department of Information and Communications Technology

<sup>7</sup> 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:**

<b>New micro-insurance products</b> by Aspirasi	<b>New micro-financing products</b> with Aspirasi Assist	<b>Expansion of micro-insurance</b> to Aspirasi Indonesia	<b>Enabling interoperable QR payments</b>
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**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**

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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 programme<sup>1</sup>
- 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: <sup>1</sup> 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**

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**GAFS**

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**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 digital<sup>1</sup>, 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**

**Outlook for 2021 and Beyond**

- Providing end-to-end services across the customer value chain that focuses on clients' needs i.e. end-to-end e-Commerce strategy and marketing to drive leads and cross-sell opportunities on digital channels; full funnel performance marketing across the customer journey and driving Online to Offline (O2O) attribution; and data and analytics to personalise customer communications and experience for brand loyalty
- ADA's key growth drivers include automation in marketing; digitisation of distribution channels; growth in digital content; and growing convergence of media, content and analytics
- Drive performance growth across Net Revenue, EBITDA and PAT by launching new business lines and scaling existing business lines
- Drive process efficiencies and automation of sales processes
- Ensure robust compliance and data privacy
- Key investments in Data and AI spanning data-related products (telco data products, business insights dashboard); MarTech and AdTech; performance marketing; telco data monetisation; and unified analytics
- Enhancing Data and AI capabilities via deeper audience-based planning and optimisation; infra and implementation of first party data; and e-Commerce enablement and activation
- Launch two new service lines in MarTech practice and e-Commerce enablement to offer extensive data services to our growing client base
- Continue initiatives to drive diversity and inclusion

<sup>1</sup> Source: ADA Client Survey (May 2020)

**IAR**

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