Realising Entrepreneurial Dreams

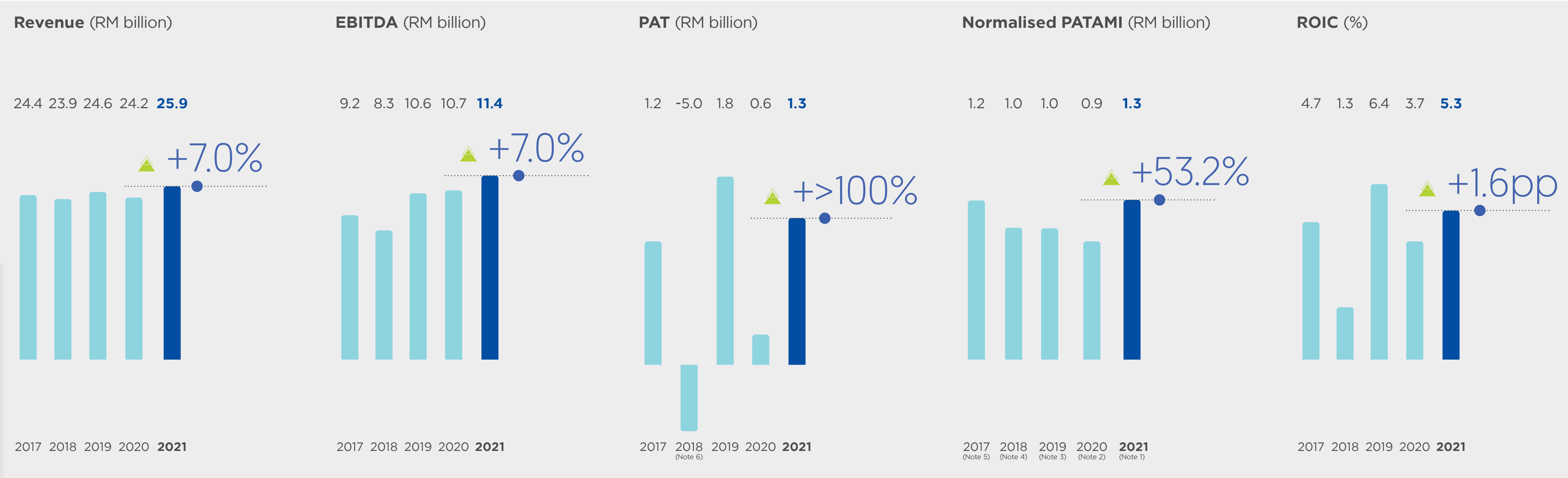
Empowering traditional entrepreneurs with e-commerce tools such as DesaMall, a platform for these artisanal craftsmen to promote and sustain their business into the future

CELCOM DESAMALL@KPLB

Financial Resilience

Financial Review

Five-Year Group Financial Highlights



Notes:

Note 1 2021 normalised PATAMI excludes goodwill impairment (RM338.4 million), gain on disposal of towers (RM79.8 million), purchase price allocations amortisation (RM111.8 million) and foreign exchange losses and derivatives (RM116.5 million).

Note 2 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 and derivatives (RM3.5 million).

Note 3 2019 normalised PATAMI excludes gain on divestment of non-core digital businesses (RM367.1 million), gain on disposal of associate (RM113.4 million), gain on disposal of Idea rights (RM96.1 million), foreign exchange gains and derivatives (RM51.7 million), gain on disposal of towers (RM82.2 million) and purchase price allocations amortisation (RM121.8 million).

Note 4 2018 normalised PATAMI excludes Idea (the Group's associate company in India that was derecognised as an associate in 2018) 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 losses and derivatives (RM208.9 million)[Note 6], gain on disposal of towers (RM80.5 million) and purchase price allocations amortisation (RM236.3 million).

Note 5 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 gains and derivatives (RM165.6 million).

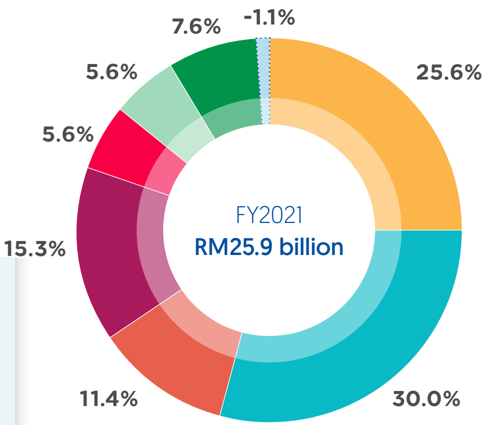
Note 6 2018 is based on restated financials.

Note 7 From FY2019 onwards, based on post MFRS 16 "Leases".

Financial Review

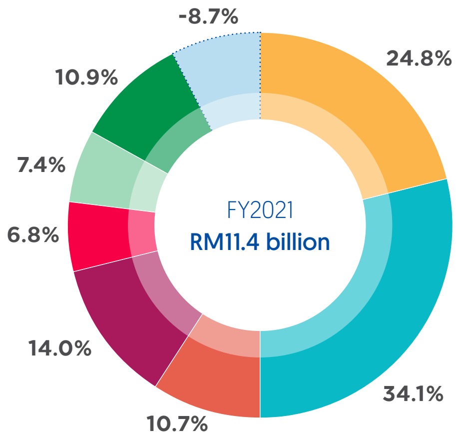
Summary Breakdown of Revenue and EBITDA

REVENUE



- Celcom
  FY2021 25.6% FY2020 25.7%
- XL Axiata
  FY2021 30.0% FY2020 31.0%
- Dialog
  FY2021 11.4% FY2020 11.2%
- Robi
  FY2021 15.3% FY2020 15.5%
- Smart
  FY2021 5.6% FY2020 5.7%
- Ncell
  FY2021 5.6% FY2020 6.1%
- edotco
  FY2021 7.6% FY2020 7.8%
- Others
  FY2021 -1.1% FY2020 -3.0%

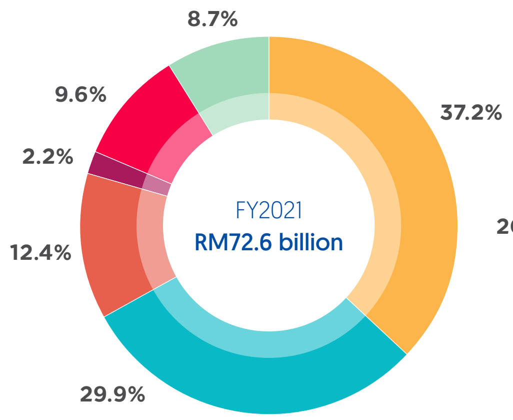
EBITDA



- Celcom
  FY2021 24.8% FY2020 24.3%
- XL Axiata
  FY2021 34.1% FY2020 35.4%
- Dialog
  FY2021 10.7% FY2020 10.8%
- Robi
  FY2021 14.0% FY2020 14.8%
- Smart
  FY2021 6.8% FY2020 7.1%
- Ncell
  FY2021 7.4% FY2020 8.0%
- edotco
  FY2021 10.9% FY2020 10.2%
- Others
  FY2021 -8.7% FY2020 -10.6%

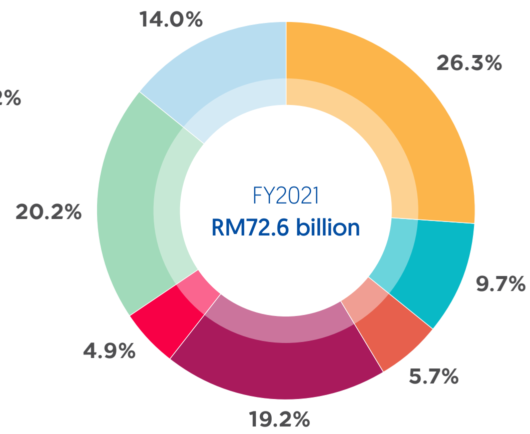
Summary Breakdown of Total Assets and Total Liabilities & Equity

TOTAL ASSETS



- Property, plant and equipment
  FY2021 37.2% FY2020 36.0%
- Intangible assets
  FY2021 29.9% FY2020 30.4%
- Right-of-use assets
  FY2021 12.4% FY2020 12.5%
- Other assets
  FY2021 2.2% FY2020 2.1%
- Deposits, cash and bank balances
  FY2021 9.6% FY2020 10.6%
- Trade and other receivables
  FY2021 8.7% FY2020 8.4%

TOTAL LIABILITIES & EQUITY



- Borrowings
  FY2021 26.3% FY2020 26.1%
- Non-controlling interests
  FY2021 9.7% FY2020 9.2%
- Reserves
  FY2021 5.7% FY2020 5.5%
- Share capital
  FY2021 19.2% FY2020 20.4%
- Other liabilities
  FY2021 4.9% FY2020 5.0%
- Trade and other payables
  FY2021 20.2% FY2020 19.6%
- Lease liabilities
  FY2021 14.0% FY2020 14.2%

Financial Review

All in RM Million unless stated otherwise		FY2021	FY2020	FY2019[2]	FY2018[2]	FY2017
1.	Revenue	**25,901**	24,203	24,583	23,886	24,402
2.	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	**11,404**	10,657	10,619	8,334	9,230
3.	Earnings from Associates and Joint Ventures	**4**	19	(3)	(428)	(404)
4.	Profit Before Tax (PBT)	**2,174**	1,171	2,780	(4,073)	1,936
5.	Profit After Tax (PAT)	**1,277**	624	1,815	(4,975)	1,162
6.	Profit After Tax and Minority Interests (PATAMI)	**819**	365	1,458	(4,762)	909
7.	Normalised PATAMI[1]	**1,326**	865	960	1,010	1,205
8.	Total Shareholders' Equity	**18,005**	17,641	16,181	17,477	24,731
9.	Total Assets	**72,550**	67,962	66,534	63,855	69,911
10.	Total Borrowings (exclude lease liabilities)	**19,050**	17,745	16,826	19,130	19,184
11.	Total Lease Liabilities	**10,171**	9,629	8,840	N/A	N/A
12.	Customers (million)[3]	**163**	157	153	149	348
Growth Rates YoY						
1.	Revenue	**7.0%**	-1.5%	2.9%	-2.1%	13.2%
2.	EBITDA	**7.0%**	0.4%	27.4%	-9.7%	15.2%
3.	Total Shareholders' Equity	**2.1%**	9.0%	-7.4%	-29.3%	4.9%
4.	Total Assets	**6.8%**	2.1%	4.2%	-8.7%	-1.2%
5.	Total Borrowings (exclude lease liabilities)	**7.4%**	5.5%	-12.0%	-0.3%	-13.8%
Share Information						
1.	Per Share					
	Earnings (basic) - sen	**8.9**	4.0	16.0	(52.6)	10.1
	Earnings (diluted) - sen	**8.9**	4.0	16.0	(52.4)	10.1
	Net Assets - RM	**2.0**	1.9	1.8	1.9	2.7
2.	Share Price information - RM					
	High	**4.19**	4.60	5.26	5.70	5.49
	Low	**3.25**	2.66	3.73	3.25	4.29
Financial Ratio						
1.	Return on Invested Capital[4]	**5.3%**	3.7%	6.4%	1.3%	4.7%
2.	Gross Debt to EBITDA[5]	**2.6**	2.6	2.4	2.3	2.1
3.	Debt Equity Ratio[6]	**1.6**	1.6	1.6	1.1	0.8

Notes:

1 Excludes foreign exchange gains/losses and derivatives, 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, severance payment, goodwill impairment, Idea (the Group's associate company in India that was derecognised as an associate in 2018) related losses and gain on disposal of rights.

2 FY2019 and FY2018 are based on restated financials.

3 From FY2018 onwards, customers exclude Idea and M1 (the Group's associate company in Singapore that was disposed in 2019) customers.

4 EBIT less tax over average invested capital.

5 From FY2019 onwards (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2017 and FY2018: Total borrowings over EBITDA.

6 From FY2019 onwards (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total shareholders' equity; FY2017 and FY2018: Total borrowings over total shareholders' equity.

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

Financial Review

Consolidated Statement of Comprehensive Income

	Financial Year Ended 31/12/2021 RM'000	Financial Year Ended 31/12/2020 RM'000
Revenue	**25,900,661**	24,203,171
Operating costs:		
- depreciation, impairment and amortisation	**(8,094,868)**	(8,484,994)
- foreign exchange gains/(losses)	**58,239**	(196,083)
- domestic interconnect, international outpayment and other direct costs	**(2,199,930)**	(1,822,171)
- marketing, advertising and promotion	**(2,192,658)**	(1,892,272)
- other operating costs	**(7,963,233)**	(7,305,590)
- staff costs	**(2,071,006)**	(2,227,532)
- net impairment on receivables and amounts due from subsidiaries	**(69,817)**	(298,731)
Other gains - net	**52,034**	2,693
Other income - net	**398,655**	516,393
Profit before finance costs	**3,818,077**	2,494,884
Finance income	**150,982**	177,183
Finance costs	**(1,565,069)**	(1,693,067)
Foreign exchange (losses)/gains on financing activities	**(234,355)**	173,395
	(1,799,424)	(1,519,672)
Associates		
- share of results (net of tax)	**11,689**	17,862
Joint ventures		
- share of results (net of tax)	**(7,706)**	860
Profit before taxation	**2,173,618**	1,171,117
Taxation and zakat	**(896,737)**	(547,072)
Profit for the financial year	**1,276,881**	624,045
Profit for the financial year attributable to:		
- owners of the Company	**818,900**	365,155
- non-controlling interests ("NCI")	**457,981**	258,890
	1,276,881	624,045
Earnings per share (sen)		
- basic	**8.9**	4.0
- diluted	**8.9**	4.0

Consolidated Statement of Cash Flows

	Financial Year Ended 31/12/2021 RM'000	Financial Year Ended 31/12/2020 RM'000
Receipts from customers and others	**25,250,051**	24,167,782
Payments to suppliers, employees and others	**(14,438,737)**	(15,053,690)
Payments of finance costs	**(1,398,060)**	(1,400,405)
Payments of income taxes and zakat (net of refunds)	**(576,240)**	(576,986)
Total cash flows from operating activities	**8,837,014**	7,136,701
Purchase of PPE (net of disposal)	**(6,248,195)**	(4,518,966)
Acquisition of intangible assets (net of disposal)	**(570,347)**	(596,723)
Investments in deposits maturing more than three (3) months	**80,400**	601,802
Investments in subsidiaries (net of cash acquired)	**(1,400,993)**	-
Investments in associates	**(2,421)**	(16,797)
Investments in joint ventures	**-**	(11,169)
Interest received	**149,820**	192,101
Purchase of other investments	**(12,672)**	(1,953)
Disposal of other investments	**559**	150,582
Net proceeds from sale of towers	**-**	580,790
Payments for ROU assets	**(123,866)**	(22,495)
Redemption of preference shares by an associate	**5,837**	-
Others	**4,980**	4,237
Total cash flows used in investing activities	**(8,116,898)**	(3,638,591)
Proceeds from borrowings and Sukuk (net of repayments)	**668,241**	1,393,400
Sale and leaseback of towers	**-**	561,908
Additional investments in subsidiaries by NCI	**-**	7,897
Capital injections in subsidiaries by NCI	**247,237**	294,000
Proceed from IPO of a subsidiary	**-**	184,092
Net proceed from partial disposal of a subsidiary	**420,667**	-
Repayments of lease liabilities	**(1,522,063)**	(1,328,392)
Share buyback of a subsidiary	**-**	(40,469)
Dividends paid	**(1,030,315)**	(852,732)
Others	**(309)**	9,596
Total cash flows (used in)/from financing activities	**(1,216,542)**	229,300
Net (decrease)/increase in cash and cash equivalents	**(496,426)**	3,727,410
Exchange gains/losses and restricted cash	**86,594**	(20,353)
Cash and cash equivalents at the beginning of the financial year	**6,722,162**	3,015,105
Cash and cash equivalents at the end of the financial year	**6,312,330**	6,722,162
Bank overdraft	**213,632**	116,555
Deposits and others	**443,390**	355,537
Total deposits, cash and bank balances	**6,969,352**	7,194,254

Financial Review

Consolidated Statement of Financial Position

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	**13,905,207**	13,883,028
Reserves	**4,100,117**	3,758,114
Total equity attributable to owners of the Company	**18,005,324**	17,641,142
Non-controlling interests	**7,060,505**	6,238,288
Total equity	**25,065,829**	23,879,430
NON-CURRENT LIABILITIES		
Borrowings	**14,819,079**	14,773,895
Derivative financial instruments	**91,162**	121,784
Deferred income	**260,360**	445,237
Deferred gain on sale and leaseback assets	**307,754**	422,817
Trade and other payables	**1,116,080**	1,303,042
Provision for asset retirement	**747,795**	640,507
Deferred tax liabilities	**1,377,516**	1,086,780
Lease liabilities	**8,412,149**	7,894,276
Total non-current liabilities	**27,131,895**	26,688,338
	52,197,724	50,567,768
NON-CURRENT ASSETS		
Intangible assets	**21,722,687**	20,634,399
Contract cost assets	**232,519**	179,801
Property, plant and equipment	**26,975,288**	24,495,647
Right-of-use assets	**8,983,213**	8,518,895
Associates	**257,898**	274,635
Joint ventures	**25,569**	33,737
Financial assets at fair value through other comprehensive income	**220,744**	220,978
Financial assets at fair value through profit or loss	**5,678**	4,467
Derivative financial instruments	**76,817**	8,343
Trade and other receivables	**1,280,866**	1,315,895
Deferred tax assets	**358,530**	310,324
Total non-current assets	**60,139,809**	55,997,121

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000
CURRENT ASSETS		
Inventories	**222,747**	141,663
Trade and other receivables	**5,060,933**	4,362,395
Derivative financial instruments	**121**	-
Financial assets at fair value through profit or loss	**65**	138,113
Tax recoverable	**109,514**	97,610
Deposits, cash and bank balances	**6,969,352**	7,194,254
	12,362,732	11,934,035
Assets classified as held-for-sale	**47,889**	30,593
Total current assets	**12,410,621**	11,964,628
LESS: CURRENT LIABILITIES		
Trade and other payables	**13,555,061**	12,001,948
Deferred income	**3,609**	3,820
Deferred gain on sale and leaseback assets	**123,902**	121,365
Borrowings	**4,231,416**	2,971,544
Lease liabilities	**1,758,846**	1,734,320
Derivative financial instruments	**20,497**	10,881
Current tax liabilities	**653,031**	532,947
	20,346,362	17,376,825
Liabilities classified as held-for-sale	**6,344**	17,156
Total current liabilities	**20,352,706**	17,393,981
Net current liabilities	**(7,942,085)**	(5,429,353)
	52,197,724	50,567,768

Financial Review

Group Financial Snapshot

Demonstrating resilience and readiness to meet with growing data demand, connectivity and digitalisation needs across its footprint, the Group closed its financial year ended 31 December 2021 (FY2021) on a steady footing, demonstrating robust operational performance against a challenging external environment.

Focused execution of the Axiata 5.0 Vision aimed at strengthening the Group's foundations to position for the digitally accelerated environment yielded strong organic growth in revenue and EBITDA, and increased profits for the year.

Revenue

- Group revenue improved by 7.0% to RM25,900.7 million for FY2021 with growth across all Operating Companies (OpCos) except for Ncell
- Key growth drivers are as follows:
  - Growth in prepaid and MVNO business at Celcom
  - Higher data contribution at XL Axiata
  - Growth across core business lines for Dialog
  - 4G leadership in Robi
  - Higher data subscribers at Smart
  - New tower builds in major markets of Bangladesh and Malaysia for edotco
  - Improvements in its customer engagement business at ADA
  - Boost's acquisition of new users and merchants

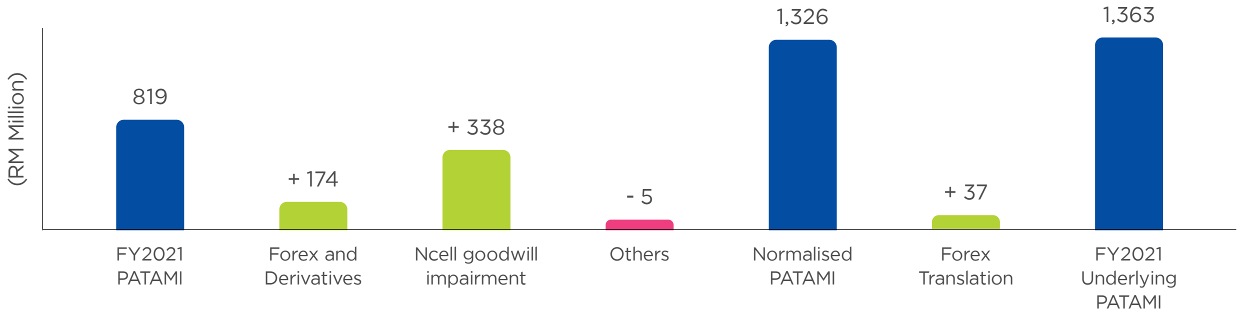
EBITDA

- Group EBITDA increased by 7.0% to RM11,404.0 million with improvement from all OpCos except Ncell
- Growth in EBITDA was mainly driven by higher revenue and diligent cost management

PAT/PATAMI

- Group PAT and PATAMI both increased by more than 100% to RM1,276.9 million and RM818.9 million respectively mainly driven by higher top lines, lower depreciation and amortisation and asset impairment, and lower finance costs, which were partly offset by higher foreign exchange losses from financing activities, higher taxes and one-off impairment of Ncell's goodwill amounting to RM338.4 million
- In FY2021, there were lower one-off gains compared to FY2020 when XL Axiata recognised a one-off gain on sale and leaseback of telecommunication towers amounting to RM444.2 million (PATAMI: RM294.8 million)
- Adjusting for one-off items mainly from impairment of Ncell's goodwill, gains on foreign exchange and derivatives, Group normalised PATAMI for FY2021 stood at RM1,325.6 million

Bridging of 2021 PATAMI to normalised/underlying[1] PATAMI



[1] *Numbers are based on constant currency*

Cost Optimisation

The Group's Cost Excellence Programme incrementally delivered RM2.0 billion in cost savings and avoidance in FY2021 with over 500 unique Group-wide initiatives completed.

- The savings comprised of capital expenditure (capex) of RM1.3 billion and operating expenses (opex) of RM0.7 billion across various functional areas, with the most significant savings derived from Network and IT through strategic negotiations with vendors and suppliers
- Other cost improvements included optimisation of business operations, sales and marketing and new subscriber acquisition. This involved digitisation, simplification and automation of various business processes for sustainable efficiency results. Increasingly more share of savings were delivered through sustainable efficiency measures as in the past
- The Cost Excellence Programme continued to drive efficiencies throughout the Group, in line with Axiata's target to become the lowest cost producer of data in all operating markets

Financial Review

Group Financial Position

As at 31 December 2021, the Group's financial position remained robust with a healthy cash balance at RM7.0 billion and gross debt to EBITDA of 2.6x.

Total equity stood at RM25.1 billion

- Total equity increased by RM1.2 billion
- Increase in equity balance was mainly contributed by:
  - Profit of RM1.3 billion
  - Currency translation gains of RM303.6 million as a result of weakening of MYR against OpCos' local currencies
  - Dilution of equity interest in subsidiaries of RM246.3 million mainly from restructuring of digital businesses
  - Partial disposal of a subsidiary of RM421.9 million
  - Increase was partially offset by dividends to shareholders and non-controlling interest of RM1.0 billion

Total assets balance stood at RM72.6 billion

- Total assets increased by RM4.6 billion
- Property, plant and equipment (PPE) increased by RM2.5 billion resulting from the following:
  - Additions in FY2021 of RM7.2 billion mainly due to XL Axiata's accelerated capex and backlog capex at edotco
  - Acquisition of subsidiaries amounting to RM247.3 million
  - Currency translation gains of RM99.7 million
  - Increase was partially offset by depreciation during the financial year amounting to RM5.0 billion
- Right-of-use assets (ROU) increased by RM464.3 million mainly due to:
  - Additions in FY2021 amounting to RM2.1 billion mainly from XL Axiata, edotco and Celcom
  - Currency translation gains of RM115.7 million
  - Increase was partially offset by depreciation during the financial year of RM1.7 billion
- Intangible assets increased by RM1.1 billion, mainly driven by:
  - Goodwill and other intangible assets recognised from acquisition of subsidiaries of RM1.7 billion
  - Acquisition of spectrum licences and others during the financial year of RM405.6 million
  - Increase was partially offset by amortisation amounting to RM861.3 million and one-off impairment of Ncell's goodwill of RM338.4 million
- Increase in total assets was partly offset by reductions in deposits, cash and bank balances by RM224.9 million

Total liabilities stood at RM47.5 billion

- Gross liabilities increased by RM3.4 billion
- Trade and other payables increased by RM1.4 billion due to higher capex spending at XL Axiata and renewal of spectrum licences at Robi
- Gross borrowing (excluding lease liabilities) increased by RM1.3 billion mainly due to drawdown of loans to finance the acquisition of a subsidiary in edotco
- Lease liabilities increased by RM542.4 million. Total additions during the year amounted to RM2.0 billion, mainly due to new sites rolled out in XL Axiata and edotco, which was partly offset by lease payment of RM1.5 billion

Capital Investments

- The Group incurred capex investment of RM7.2 billion at 27.9% capex intensity to support its continuous growth. These investments were mainly sourced from internal funds. The spend was in line with the Axiata 5.0 Vision to become The Next Generation Digital Champion by 2024
- Whilst uncertainties arising from the pandemic/endemic and consequent macro economic challenges, government policies and regulatory risks in our footprint markets remain in 2022, Axiata will continue with the momentum already built in the Group-wide execution of Axiata 5.0, that is anchored upon:
  - **Sustainable Growth:** Position for the 'New Norms' through opportunistic investments, to continue OpCos transformation agenda and extract value from the new growth areas of Enterprise, Home and Digital Value-Added Services (VAS)
  - **Operational Excellence:** Realise our goal of becoming a low-cost producer through the 'Collective Brain' engagement model; supported by Group-wide digitalisation and analytics initiatives
  - **Structural Changes:** Continued execution of Portfolio Optimisation and Value Illumination. Some of the transactions in the pipeline may have short to medium term impact but will be long term accretive to the Group

Cash Position and Dividends

- The Group's cash balance stands at RM7.0 billion
- As a result of strong performance supported by a resilient balance sheet and healthy cash balance, the Board of Directors approved a total dividend of 9.5 sen per ordinary share (FY2020: 7.0 sen per ordinary share) which translates to a 66% dividend payout ratio

Capital Structure and Capital Resources

- The Group's debt to equity gearing ratio (total borrowing including lease liabilities over total shareholder's equity) stood at 1.6x as at 31 December 2021

Capital Allocation and Balanced Portfolio

- The Group is on track 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 initiatives
- Towards ensuring a balanced portfolio, the Group is focusing on portfolio optimisation and value illumination by increasing growth rate and valuation multiple

Financial Review

Key Performance Indicators

On 25 February 2021, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2021. The Group's 2021 Headline KPIs announced were as below:

	FY 2021 Achievement	FY 2021 Headline KPIs	FY 2021 Achievement
	@ Actual currency	@ Constant rate[1]	
Revenue Growth[2]	**6.8%**	**Low single digit**	**8.3%**
EBITDA Growth	**7.0%**	**Low single digit**	**8.5%**

Notes:

[1] Constant rate is based on FY20 Average Forex Rate (e.g. 1 USD = RM4.202)

[2] Revenue is based on revenue excluding device (revenue ex-device)

Despite another challenging year arising from the COVID-19 pandemic, the Group posted a strong set of results in FY2021 on the back of higher contribution across all OpCos (except for Ncell in Nepal), digital businesses and infrastructure. Underlying profit improved, driven by growth in EBITDA, lower net finance cost and narrowed losses at digital businesses, moderated by the impact of accelerated depreciation of 3G assets.

Year on year, Celcom in Malaysia recorded strong revenue recovery in tandem with positive subscriber momentum, while EBITDA improved from cost optimisation initiatives. XL Axiata in Indonesia registered low single digit revenue growth amidst heightened competitive pressures and EBITDA margin remained healthy. Robi in Bangladesh and Smart in Cambodia benefitted from higher data contribution in tandem with higher data subscribers and usage, leading to high single digit revenue growth. Dialog in Sri Lanka achieved double-digit growth in revenue and EBITDA, with higher contribution across all segments of mobile, fixed and TV. Ncell in Nepal faced challenges in the international long-distance business, prolonged lockdowns and increased competition although diligent cost management led to improvement in EBITDA margin.

Our digital businesses focus on two business verticals namely Digital Financial Services via Boost and Data and Artificial Intelligence via ADA. Positively, Boost posted lower losses driven by lower marketing expense whilst ADA recorded its third consecutive year of profit, benefitting from the acceleration of digital marketing transformation amongst enterprises. Our regional tower company edotco also recorded good performance driven by improved contribution from new tower builds in its major markets of Bangladesh and Malaysia.

Overall, the Group posted revenue ex-device growth of 6.8% and EBITDA growth of 7.0% in FY2021. Against headline KPIs at constant rate[1], the Group exceeded targets of low single digit growth for both metrics with 8.3% growth in revenue ex-device and 8.5% growth in EBITDA.

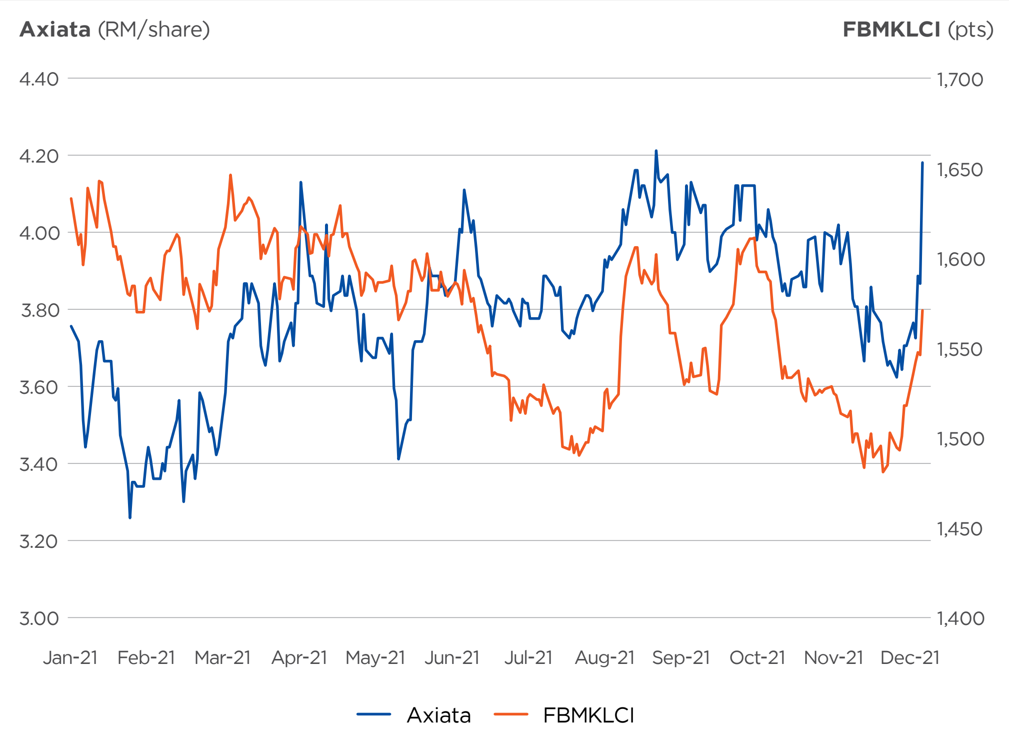
Our Share Price Performance

In FY2021, Axiata's share price rose 11.2% to end the year at RM4.16, outperforming the local benchmark index FTSE Bursa Malaysia KLCI (FBMKLCI) which declined 3.7% to 1,567.53. Axiata's market capitalisation improved to RM38.2 billion on 31 December 2021 from RM34.3 billion on 31 December 2020, closing the year as the ninth largest company on FBMKLCI. In terms of foreign shareholdings, the figure inched up to 10.9% as at end 2021 compared to 10.4% in the preceding year.

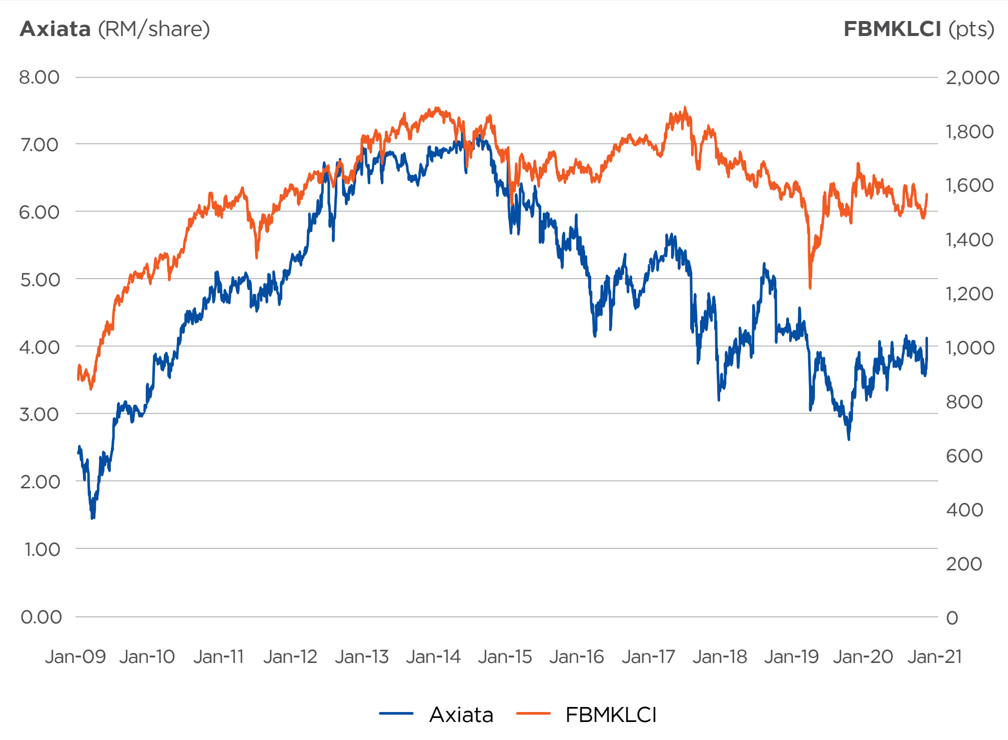
Share price performance for the year was largely driven by positive sentiment arising from the announcement of the proposed merger between Celcom Axiata and Digi in April 2021, supported by strong earnings delivery throughout the year. Other major announcements include the formalisation of a joint bid for digital bank licence in Malaysia by Axiata and RHB in June 2021, and the proposed acquisition of Link Net by Axiata and XL Axiata in July 2021.

From 2009 to 2021, Axiata's share price had increased by 69%.

Share Price Performance (2021)



Share Price Performance (2009 - 2021)

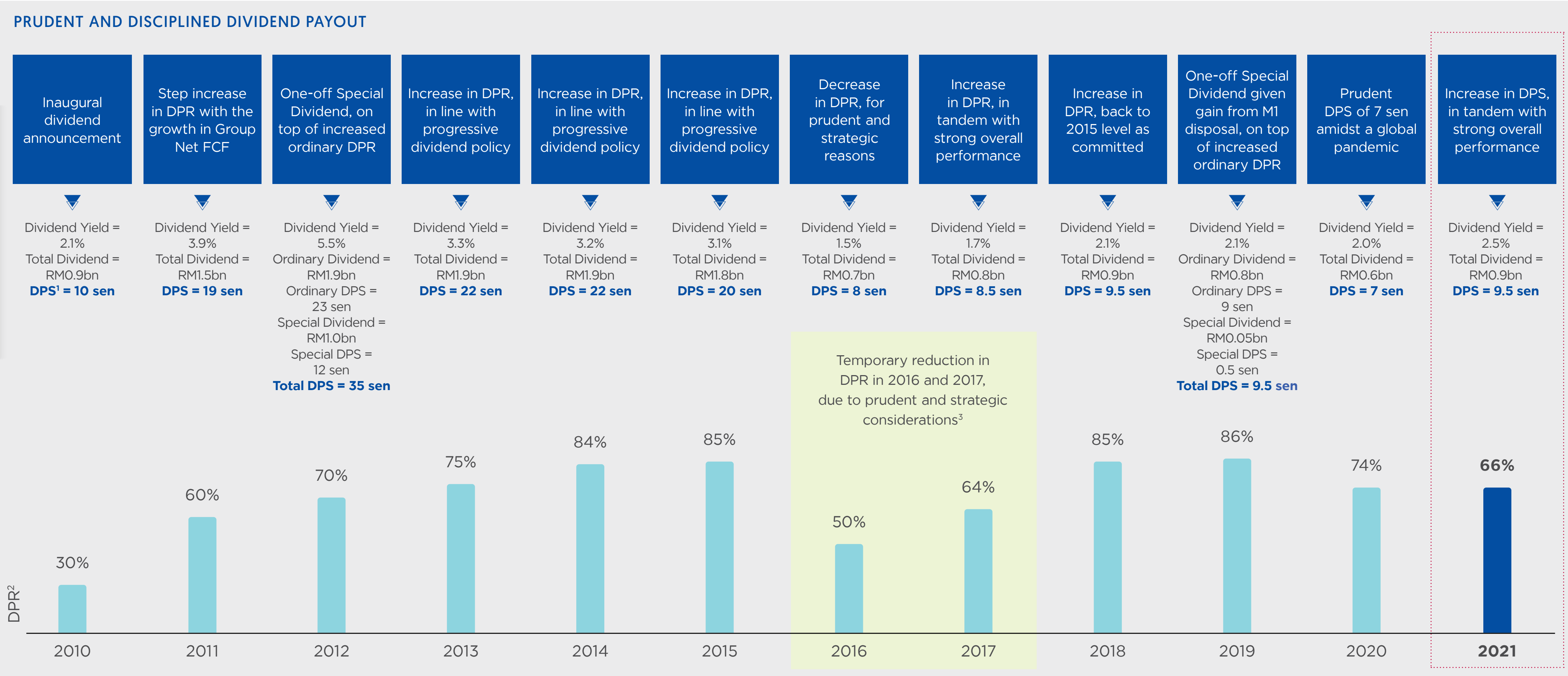


Our Dividend Policy

Supported by robust performance in FY2021 and a healthy balance sheet, Axiata announced a second interim dividend of 5.5 sen per share in February 2022, bringing full year dividend declared for the financial year ended 31 December 2021 to 9.5 sen per share. This includes a first interim dividend of 4.0 sen per share paid in September 2021. The FY2021 dividend per share (DPS) of 9.5 sen is higher than FY2020 DPS of 7.0 sen, and translates to a dividend payout ratio (DPR) of 66%.

The Board remains committed to our dividend policy whereby the Company intends to pay dividends of at least 30% of its consolidated normalised PATAMI and endeavours to progressively increase the payout ratio over a period of time, subject to a number of factors including business prospects, capital requirements and surplus, growth/expansion strategy, considerations for non-recurring items and other factors considered relevant by the Board.

Axiata continues to focus on executing the 10 Key Focus Areas of the Axiata 5.0 Vision to deliver high and sustainable dividends for our shareholders.



[1] *DPS – Dividend per share*

[2] *DPR – Dividend payout ratio excluding special dividend*

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