



IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Triple Core Business Driving Performance

Q3 What are the key highlights of structural changes for the OpCos and Key Associate Company for 2023?

Our OpCos and Key Associate Company delivered a solid underlying performance and made commendable progress towards strategic objectives, despite challenging global macroeconomic conditions.

Digital Telcos

XL

Strengthened position as a converged mobile, fixed broadband and content service provider

- Double-digit growth in revenue and PATAMI supported by a sustained pricing environment, with ARPU uplift to IDR41,000, and growth in Data and Digital Services
- Enhanced FBB and FMC services in Indonesia, with upcoming transfer of Link Net's 751,000 residential FBB subscribers to XL, which will effectively make XL the second-largest FBB provider in Indonesia with one million customers

Robi

Market repair and structured efficiency measures led to strong operational performance

- Double-digit growth driven by voice and data, paired with subscriber growth and ARPU expansion to BDT142
- Structured cost stewardship programme and improved market discipline, drove PATAMI up by 75.7%

Dialog

Successfully navigating to pre-crisis levels

- Strong profit and cash growth in connectivity, enterprise and international business sectors, and achieved LKR19 billion cost reduction amid external cost challenges
- Reduced foreign exchange exposure by 62% YoY to strengthen balance sheet
- Merger with Bharti Airtel Limited will create a leading Sri Lankan telecommunications company
- Discontinued 3G network

Smart

Delivered highest-ever profit

- Generated steady profit and cash flow, with growth primarily from Data segment
- Progressing on Telco-TechCo journey by delivering FBB and advanced ICT solutions, and pioneer tailored business solutions for large enterprises, small and medium-sized enterprises (SMEs)

Infrastructure

EDOTCO

Strategic expansion strengthening revenue growth and regional presence

- Revenue growth of 13.8% contributed by tower acquisitions in the Philippines and Indonesia, complemented by higher co-location roll out in Malaysia and Bangladesh
- Completion of tower site transfer from PLDT in the Philippines, significantly expanding EDOTCO's regional presence to 35,000 owned towers and achieving co-location ratio of 1.67x

Link Net

Transitioning to FibreCo to tap underpenetrated FBB opportunities in Indonesia

- Achieved higher ARPU of IDR351,000 with plans to transfer 751,000 subscribers to XL as Link Net focuses on its core expertise in network development to strengthen its position as a leading FibreCo
- Scheduled to accelerate the roll out of fibre to deliver coverage to 1 million XL homes by mid-2024

Digital Businesses

Boost

Sustaining ecosystem for digital bank opportunities

- Boost's ecosystem continues to grow as Boost Life users increased to 11.1 million and Malaysian merchants rose to 632,000
- Received Bank Negara Malaysia's (BNM) approval to commence operations of Boost Bank, slated to advance digital inclusion by providing greater digital access to financial services for the underbanked and unbanked segments
- In the lead-up to the public launch, Boost Bank will progressively enhance its product propositions and refine the user experience

ADA

Delivered fifth profitable year

- Revenue driven by growth in Conversational AI, Data & AI and e-commerce services, and stable Marketing Services practice, despite a decrease in overall marketing spend by clients
- Mitsui invested USD58 million through Axiata Digital, with ADA valued at USD550 million

ADL

Supporting Group-wide Telco-TechCo transformation

- Driving Telco-TechCo transformation across the Group, focusing on revamping the digital stack, digitisation, implementing strategic transformations and takeovers, enhancing automation, setting up platforms, utilising data analytics and applying development and operations (DevOps) solutions

Key Associate Company

CelcomDigi

Following the merger, CelcomDigi is categorised as our Key Associate Company. It has been effectively delivering on its strategic outcomes and making progress in its transformational objectives. The integration process is actively underway, keeping the company on track to establish a financially robust business by successfully realising the planned synergies as we continue to build a strong cash flow opportunity in this business.

Unlocking merger synergies

- Delivering financial and operational synergies as envisioned, through optimised capex efficiencies and advancing prioritised network and IT integration initiatives
- Completed 35% of its network integration and modernisation, surpassing target set
- Contributed share of profit of RM530.6 million to the Group, driven by increasing revenue and attracting an additional 466,000 subscribers

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Q4 How will the new corporate strategy drive the ambition to be a Sustainable Dividend Company?

Axiata is on a transformative journey with clear targets to enhance our performance, accelerate value creation, and increase long-term shareholder value. This includes reshaping our portfolio to unlock value and build long-term sustainable businesses.

Targets to achieve

Dividend Per Share (DPS)
of 10.0 sen per annum,
with progressive growth

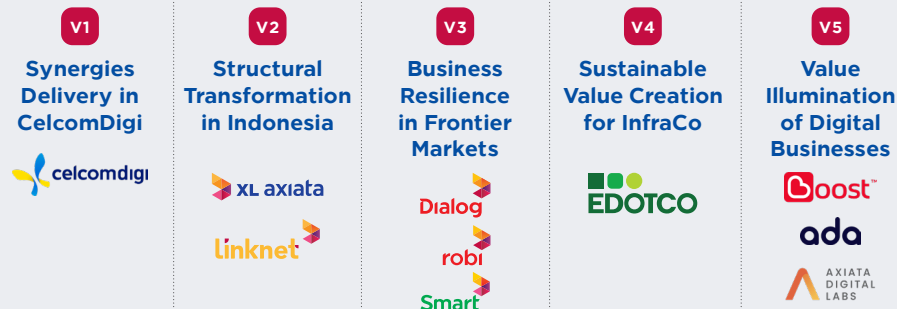
High single digit total
shareholder return per
annum

Net Debt/EBITDA
of 2.5x by end-2026

Axiata's five portfolio vectors and five business strategies will guide us on our journey towards becoming the Next Generation Digital Champion, aligned with an aspiration to be recognised as a Sustainable Dividend Company and a digital and technology leader by transitioning from Telco to Telco-TechCo and giving consistent returns to shareholders.

AXIATA 5-BY-5 STRATEGY

5 Vectors of Value Creation



5 Strategic Priorities



The Axiata 5-by-5 Strategy is anchored on five portfolio vectors that provide a focused framework to create value for achieving our goals:

5 Vectors of Value Creation

- V1 Synergies Delivery in CelcomDigi:** Leverage the consolidation of network, IT systems, distribution, and build a common brand. Further accelerate synergies post-integration costs, and capitalise on benefits of market consolidation with an improved market structure and leadership position
- V2 Structural Transformation in Indonesia:** Optimise market structure to transform Link Net into a fibre InfraCo to accelerate fibre deployment and utilisation with multiple access users, and XL as a converged ServeCo
- V3 Business Resilience in Frontier Markets:** Improve imbalances with market repair, manage forex-denominated debt, address rising costs from inflation, optimise opex and capex, and explore market consolidation
- V4 Sustainable Value Creation for InfraCo:** Manage gearing and forex-denominated debt, realise value from recent tower acquisitions, increase tenancy, create value from analytics and digitalisation, and achieve cost excellence
- V5 Value Illumination of Digital Businesses:** Grow ADA in AI & Analytics in new markets, launch Boost Bank, scale ADL by developing and marketing Digital Telco Enabler (DTE)/ Axonect Enterprise Enabler (AXP) platform with external clients

Underpinning the five Vectors of Value Creation are five strategic priorities aimed at achieving operational excellence, enhancing cash flow and driving technological progress.

5 Strategic Priorities

- SP1** Focus on strategic capital allocation, cost efficiency through capex and opex management, optimise treasury management to manage capital structure, gearing, working capital and cash, and reduce HoldCo cost
- SP2** Enhance network cost excellence, foster innovation-led enablers, adopt asset-light approach with strategic partnerships, and excel in monetising platforms and solutions
- SP3** Prioritise market repair in Indonesia and Bangladesh, seek market consolidation opportunities in Sri Lanka, and enhance financial flexibility through fund raising and derisking in deteriorating environments, attract new investors to grow platforms and opportunistically monetise assets
- SP4** Enhance governance and restructure HoldCo for improved efficiency
- SP5** Embed core values and key behaviours of the Axiata Way, a unique identity that sets our employees apart, to drive Axiata's five portfolio vectors and five business strategies, and realise its vision and aspiration

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Q5 What progressive steps have been taken to advance Axiata's Telco-TechCo ambitions, and how does the network transformation strategy support this evolution?

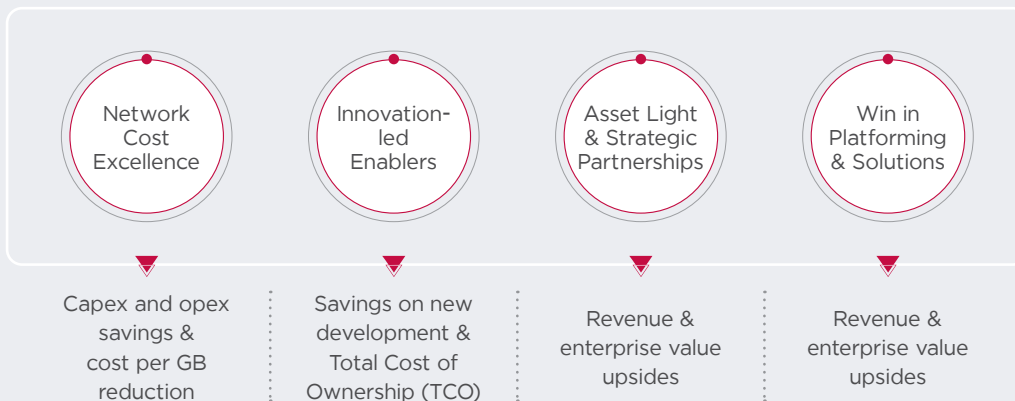
Axiata's Telco-TechCo journey is underpinned by an ambition to achieve superior Returns on Invested Capital (ROIC) and Total Shareholder Return (TSR) while simultaneously spawning new engines of growth. In furthering this ambition, we are applying several fundamental TechCo principles, including but not limited to Delaying, Softwarisation, Cloudification, Platforming and Zero-Touch Smart Partnering.

Axiata has been a pioneer in Delaying, of both Infrastructure as well as New Growth Businesses. We started our strategic delaying initiatives in 2013 by carving out our Tower Infrastructure and forming EDOTCO, which has since emerged as a key player in the regional telecommunications infrastructure sector. Similarly, since 2015, Axiata has established new growth frontiers through the initiation of substantive digital business in the spheres of Fintech, MarTech, AI and Analytics. More recently in 2019, we delayed our Software Development and Platforming capabilities to form ADL, our multi-country Software Development and Digital Transformation unit. In a similar vein, the delaying of our Fibre Assets in Link Net to form one of Indonesia's largest FibreCo infrastructure players is our most recent foray in terms of infrastructure delaying.

Our network transformation strategy is an equally pivotal accelerator of our Telco-TechCo trajectory. Axiata's network transformation strategy is designed to amplify capital returns through the application of TechCo principles alongside the adoption of cutting-edge technological advancements.

The multiple facets of our Telco-TechCo thrust are key to Axiata's growth and competitiveness. Our Telco-TechCo thrust combines synergistically with other elements of Axiata's five portfolio vectors and five business strategies, enabling us to address short-term and long-term shareholder value creation, mitigate capex escalation, and achieve a lower cost to serve.

Key Blocks of Axiata's Telco-TechCo Journey



Key Network initiatives will lead to material cumulative capex savings by 2026

5G

- Network readiness across markets
- Formulate spectrum strategy
- Develop use cases roadmap

- > New services – video, gaming, FWA, etc.
- > Material reduction of cost per GB

Architecture Simplification

- Fiberisation
- DC consolidation
- Virtualisation, legacy removal, etc.

- > Future capex and opex reduction in transport and core domains

Cloud Core

- Gradually implementing Cloud Native 5G SA Convergent Core
- New services – enterprise, etc.
- Fixed mobile convergence

- > Improved customer experience
- > Reduced time to market
- > Significant reduction of Core cost to serve

Autonomous Network

- Develop automation framework
- Implement AI/ML based control loop automation
- Use case-based implementation – SON, energy-efficiency

- > Reduced time to market
- > Material TCO savings per use case

Network Sharing

- RAN network sharing for 4G and 5G
- Fibre and infra sharing

- > Material capex and opex reduction

Arrest OPEX

- Outdoorisation
- Solar
- Network modernisation

- > Opex escalation at max half of revenue growth

Open Networks

- Open RAN
- Open Optical Networks
- Open Disaggregated Routers
- 3-4 years maturity time still

Vendor Strategy

- Improve capex efficiency through vendor footprint review and new procurement approach
- Expand partner and vendor base to include disruptive technology providers and ecosystem partners

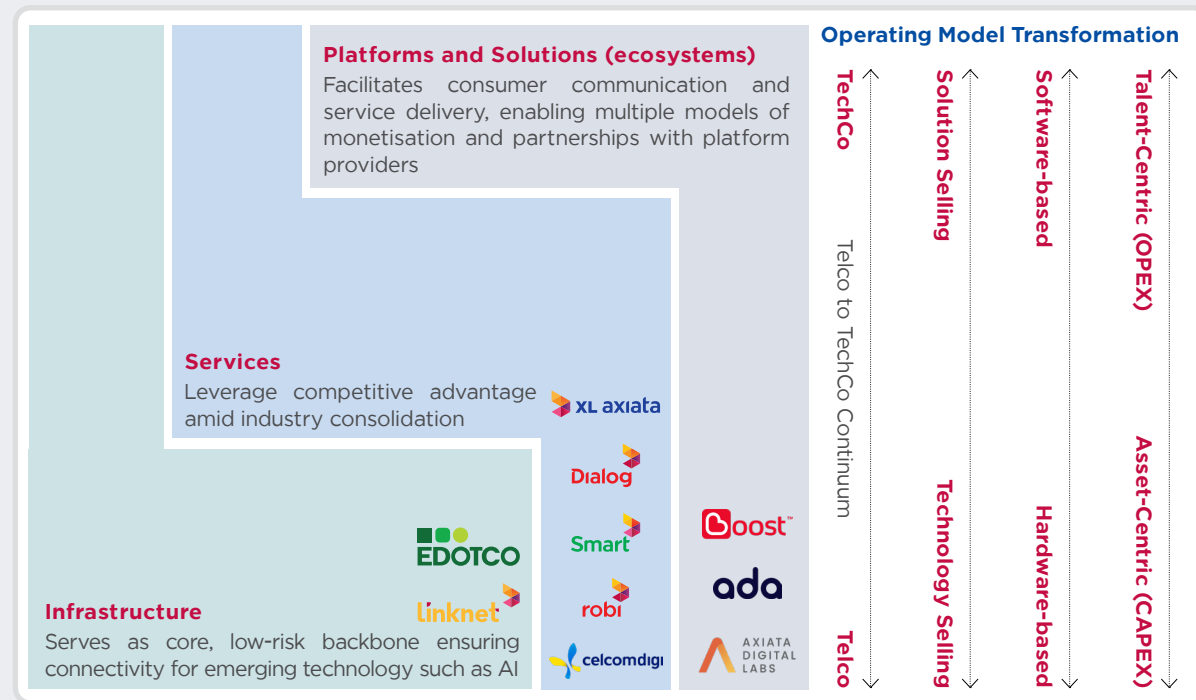
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Q6 How does IT transformation lay the groundwork for the Telco-TechCo transition?

Radical IT transformation is foundational to Axiata's Telco-TechCo transition. Our underlying ambition, with respect to IT transformation, has been to accelerate the time to market of product and service innovation, enhance customer experience and responsiveness, and embrace hyperscalers and internal and external developer ecosystems through frictionless partnering capabilities. In combination, these capabilities serve to drive down IT costs and generate new revenue streams. Central to Axiata's IT transformation is the adoption of an API-driven, Middleware and Micro-Services architecture, which also enables the creation of Platform Businesses in parallel with accelerating the end-to-end digitisation of our business processes.

Our Digital Telco Enabler (DTE) Platform and associated API and Micro Service Environments are built and maintained by ADL.

Our pioneering approach to the Digital Telco architecture, supplemented by ADL's DevOps capabilities, positions Axiata as a more flexible and competitive connectivity and 'beyond connectivity' digital services provider.



Innovation in the sphere of API-driven Digital Transformation enablement has further enabled ADL to establish the Digital Transformation Platform, Axonect, which has been recognised by the TM Forum as a globally leading solution for the adoption of Open Digital Architecture (ODA). ADL has also been recognised as a leader in the sphere of GSMA Open Gateway implementation and was adjudged the winner of the Open Gateway (OG) Challenge at the 2024 Global Mobile Awards (GLOMO) during the Mobile World Congress.

ADL, Axiata's newest Digital/Tech Business, is strategically positioned to disrupt the Telco and Fintech IT middleware space globally. Combined with the company's competencies in ODA and OG, ADL looks forward to becoming a key enabler of value capture within the 5G ecosystem and growing API economy.

ADL's talent base and DevOps capabilities are spread across Axiata's footprint markets. ADL's technology also enables B2B2X marketplace platforms which provide frictionless interfaces to partners and developers.

• Network Transformation Strategy

The network transformation strategy will focus on simplification and cost optimisation. We are embracing a cloud core infrastructure, capacity optimisation, deploying 5G ready technology, rolling out fiberisation, exploring network sharing and open network architectures, and expanding rural connectivity. Key focus areas moving forward to deliver on this transition include:

- Network Architecture Modernisation
- Cloudification and Virtualisation
- Network Cost Excellence spanning Core and RAN
- RAN Standardisation
- Solar Upgradation
- Outdoorisation & Modernisation

- **ServeCo & FibreCo delaying between XL & Link Net**

- **Network Architecture Simplification (Core & Transport)**

- **Radio Frequency Re-plan (Robi)**

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Delivering Value

Q9 What is the progress on efforts to strengthen Axiata's value proposition to shareholders?

We continued efforts to enhance our value proposition for shareholders through two strategic approaches aimed at reinforcing our aspiration as a Sustainable Dividend Company. These strategies focus on achieving operational excellence and optimising our portfolio to illuminate value. Through rigorous capital allocation, including infusing external capital, cost management and strategic market manoeuvres, we aim to be in a position to generate sustainable cash flow and strengthen our financial position for long-term value creation.

Operational Excellence

- Capital Allocation Framework 2.0 provides a guideline on generating sustainable cash flow to enable Axiata to:
 - Deliver 10.0 sen DPS
 - Retain credit rating of Moody's Baa2 and S&P's BBB
- Cost excellence across OpCos to ensure sustainable capex/opex
- Reduce HoldCo cost by approximately 20% with the implementation of a new governance model
- Financial guardrails for OpCos aligned with Axiata's capital structure policy, and commitment to retain credit rating

Portfolio Optimisation and Value Illumination

- Market repairs in Indonesia and Bangladesh where ARPUs have seen a steady uplift
- In-country consolidation in Sri Lanka with proposed merger of Dialog-Airtel, value illumination upon achieving scale
- Exiting Nepal and Myanmar where the deteriorating operating environment would have resulted in value at risk
- Progressing well in creating a ServeCo and FibreCo in Indonesia, thereby illuminating greater Sum-of-the-Parts (SOTP) valuation

Q10 How are you driving Sustainability and Corporate Responsibility to build long-term value?

The Group continues to advance sustainability and corporate responsibility, emphasising a holistic approach around digital inclusion, climate action, governance and risk management.

Climate Action and Environmental

- Submitted near term net-zero targets to SBTi, pending validation
- Reviewed and updated Scope 1 and Scope 2, to reflect material operational boundary changes as of December 2023 and adopted updated Emission Factors referencing International Energy Agency (IEA) 2022
- Reduced Scope 1 emissions by more than 6% in 2023 vs 2022
- Task Force on Climate-related Financial Disclosures (TCFD) Year 2 journey continues with integration of climate risk and opportunities into ERM Policy and preliminary quantification of climate-related opportunities

Social Initiatives and Digital Inclusion

- Continue to progress in EDISON Alliance commitment to positively impact society through healthcare, education in digital skills and financial inclusion
- Joined the Internet Watch Foundation to raise public awareness on the impact of Child Sexual Abuse Material (CSAM) with the aim to contribute to a safer online environment for all, particularly for children

Governance Initiatives

- Set up Axiata Board Investment Committee to provide oversight into strategic investments
- ESG model aligned to Group rolled out across OpCos via Board Risk and Compliance Committee (BRCC) to track, monitor and prioritise key ESG-regulatory matters
- Launched Group-wide automated Corruption Risk Register and chatbot to assist employees on common ABAC queries

Digital Integrity and Cyber Security

- The objectives of the current Cyber Security Data Privacy Strategies, Digital Trust & Resilience and #ASH 2.0 (2021-2023) have been successfully achieved
- Both strategies are being refreshed to address emerging threats, risks, laws and regulations, thereby enhancing cyber security and data privacy maturity across the Group
- Core cyber security capabilities have been internally sourced through the Axiata Cyber Fusion Centre, enabling innovation, IP creation, improved efficiency and cost savings
- Achieving the objectives of the current Cyber Security and Privacy strategies has enabled the Group to achieve NIST maturity levels of 3.4 and 3.0, respectively

Q11 What efforts have been put into strengthening the Winning Culture and building a future-fit organisation?

Winning Culture Framework



Our refreshed Winning Culture will drive our success in winning in all our markets every day. In 2023, we amplified our Winning Culture framework, which is anchored on our long-standing guiding principles of Uncompromising Integrity and Exceptional Performance (UI/EP). Uncompromising integrity has evolved to become our baseline and licence to play.

The three new core values introduced under the Winning Culture, which are Obsession for Customers, Courage for Change, and Passion for Collaboration, reflect the need to adapt to changing times and the importance of agility in today's dynamic business environment, paving the way for exceptional performance. These core values are designed to foster a culture that prioritises customer needs, embraces change and champions innovation, and promotes collaborative excellence. By drawing on the diverse strengths and expertise within our team, we are committed to cultivating a unified, inclusive work environment where everyone can thrive. The OpCos are defining and implementing initiatives to demonstrate the cultural shift towards these three core values.

This commitment is reflected in the results of the Employee Engagement Survey (EES) 2023, which showed a high participation rate of 90% and an 75% favourable score. These results indicate a strong alignment between our employees and our core values, reflecting the positive impact of our efforts to strengthen the Winning Culture.

Achieving a Winning Culture across the Group is one of my KPIs as the Group CEO, which underscores the importance we place on this in our overall strategy.

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Shaping The Future

Q12 What are Axiata's priorities for 2024?

Strategic Priorities

Operational Excellence

- Capital Allocation
- Cost Excellence (capex and opex)
- Treasury Management (capital structure, gearing, working capital and cash)
- HoldCo cost reduction

Telco-TechCo Journey

- Network Cost Excellence
- Innovation-led Enablers
- Asset Light and Strategic Partnerships
- Win in Platforming and Solutions

Portfolio Optimisation & Value Illumination

- Market Repair - Priority on Indonesia and Bangladesh
- Market Consolidation
- Fund-raising and Asset Monetisation

New Engagement & Operating Model

- Governance Enhancement
- HoldCo Restructuring

Winning Culture

- Embed Core Values and Key Behaviours of the Axiata Way

Our strategic direction for 2024 is to drive the execution of Axiata's five portfolio vectors and five business strategies, centred around reinforcing our position in the market and setting the stage for future growth. The immediate aim is to reinforce foundational strengths and ensure we continue to meet the evolving needs of the market efficiently. This also involves a cultural shift within the Group to adapt to the changing landscape and aspirations.

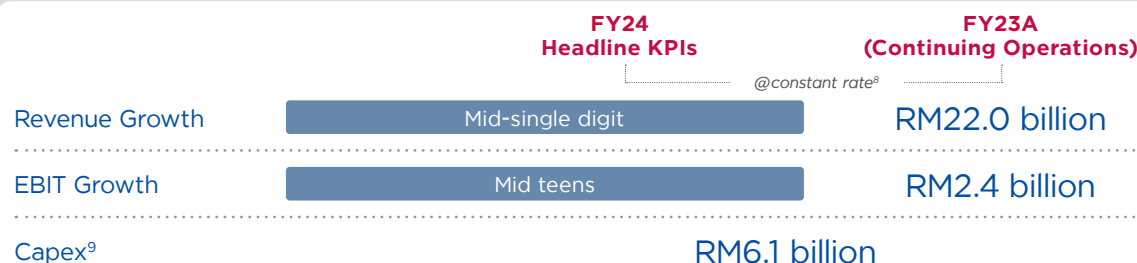
Our priorities for the year include focusing on market repair and unlocking merger synergies through CelcomDigi. In Indonesia, we will further our delayering efforts on the structural transformation of XL Axiata and Link Net to deliver on the expanded home pass and establish a solid presence as a provider of converged mobile, fixed broadband and content services. We look forward to launching Boost Bank in Malaysia, set to redefine digital banking and, more importantly, contribute to expanding financial inclusion for the underbanked and unbanked communities.

The Group will continue to explore market and industry consolidation opportunities to strengthen our competitive edge and market standing. We aim to capture value from the proposed Dialog and Bharti Airtel Limited merger, which will solidify our presence as a leading telecommunications company in Sri Lanka.

Looking to the future, Axiata continues to lay the groundwork for long-term sustainability. Axiata's five portfolio vectors and five business strategies will drive our transformation journey along the Telco-TechCo continuum, which is synonymous with innovation, digital services and next-generation solutions.

In line with these strategic pursuits, we will continuously review our operations to streamline processes and actions that create value from these operations, and if required, attract new investors and monetise to pare down debt. As a company focused on growth, our increasing EBITDA is expected to support our leverage ratios.

To track progress and maintain focus, Axiata has set clear KPIs for 2024:



Notes: ⁸ Constant rate is based on FY23 Average Forex Rate (i.e. 1 USD = RM4.56)

⁹ Capex is not a Headline KPI

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Q13

How are you prepared to tackle emerging challenges, risks and opportunities?

Outlook & Priorities	Challenges	Axiata's Response
Short-term Implementation of structural transformation in Indonesia	Funding fibre deployment roadmap	New investor for FibreCo and structural transformation for better valuations.
5G technology	Additional investment required to start rolling out 5G	Axiata will deploy 5G technology in its operating markets as and when licences are granted, and spectrum is issued. Axiata's roll out strategy would be based on a calibrated approach with close attention to market demand and returns on investment. Axiata will also explore potential strategic partnerships and/or network sharing options to further enhance ROIC while continuing to deliver the benefits of 5G to consumer and enterprise segments.
Medium-term Managing spectrum cost	New spectrum bands (700, 3,500 and mmWave) investments could be at a high cost for Indonesia and Bangladesh	Explore potential network and spectrum sharing options to optimise the amount and cost of spectrum.
Long-term Sustainable dividend	Pressure on cash flow from upcoming spectrum investments, and currency and economic risk for frontier markets	Portfolio realignment including setting guardrails, improving cash upstream and managing capital allocation.

We will continue to strategically navigate challenges to capitalise on growth opportunities. We anticipate asset growth from market improvements, driven by enhanced market structure, stable process, and sustained demand for mobile, digital and enterprise solutions. The Group will continue to focus on improving operational and fiscal efficiency.

Appreciation

We are well-positioned for the next phase of growth. Guided by the Axiata Strategy that emphasises growth through the five Vectors of Value Creation, Axiata is set to redefine its portfolio, unlock value and seize new opportunities to foster sustainable business growth. The overarching goal is to become the Next Generation Digital Champion, delivering on our aspiration to be a Sustainable Dividend Company.

I would like to extend my appreciation to our shareholders for your continued trust. Your support fuels our drive towards excellence. I thank the Board for their guidance and all at Axiata for their passion and commitment. I am confident that with the strategies and plans we have put in place, Axiata will continue to unlock and deliver value for all our stakeholders.

Vivek Sood
 Group Chief Executive Officer and Managing Director