



16 November 2022

Minority Shareholders Watch Group (MSWG)

Level 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

ATTN: Mr Devanesan Evanson, Chief Executive Officer

Dear Mr Devanesan,

RE: Reply to the MSWG questions for the Extraordinary General Meeting of Digi.Com Berhad

Firstly, we hope you are well and staying safe. With reference to your letter dated 8 November 2022, we append below the response to your queries as highlighted in your letter.

Proposed Merger of Celcom Axiata Berhad and Digi.Com Berhad (“Proposed Merger”)

The MergeCo Group expects to incur additional costs and expenditures in its performance of the Undertakings to the Malaysian Communications and Multimedia Commission (“MCMC”) dated 28 June 2022 given by Celcom Axiata Berhad and Digi Telecommunications Sdn Bhd, which is expected to dilute the earnings and EPS of the MergeCo Group in the immediate years after completion of the Proposed Merger. After performing an initial estimate of the potential synergy values from the Proposed Merger, as well as of the additional costs for the Merger Integration Activities and to fulfil the Undertaking, the Proposed Merger is expected to contribute favourably to the medium to long term earnings and earnings per share of MergeCo Group (page 41 of the Circular).

i. How much are the estimated potential synergy values from the Proposed Merger?

Digi’s Response

- Synergies are anticipated to be realised mainly through consolidation of network and IT infrastructure, enabling greater economies of scale which will create more capability for funding future investments.
- Based on the initial estimate of the potential synergy values from the Proposed Merger, as well as of the additional costs for the Merger Integration Activities and to fulfil the Undertakings, we are of the view that, with systematic planning and proper execution of our action plans for the Merger Integration Activities and fulfilment of the Undertakings, the anticipated overall net synergy values after considering such additional costs to fulfil the Undertaking, remain positive and within the indicative synergies estimates as announced by Telenor and Axiata in June 2021.
- We will appraise with more details on the synergy values post transaction closing.

ii. How much is the indicative total cost required to fulfil the Undertakings to MCMC?

Digi's Response

- The estimated costs and expenditures to fulfil all the Undertakings to MCMC with the exception of Spectrum Divestment are expected to be immaterial.
- Notwithstanding the above, the anticipated overall synergy values from the Proposed Merger are expected to remain positive after considering such additional costs from the fulfilment of the MCMC Undertaking.

We value your questions and trust that the above response provides clarity to the queries raised. Please do not hesitate to contact us further via [invesrel@digicom.my](mailto:invesrel@digi.com.my), should you have any further clarifications.

Thank you.

Yours sincerely,

Christine laufl

Christine Lau
Head of Investor Relations
for **Digi.Com Berhad**