



# Advancing & Inspiring Society

INTEGRATED ANNUAL REPORT 2023



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## Chair of the Board's Statement

Realising the full potential from one of Southeast Asia's telco mega-mergers



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## Chief Executive Officer's Review

Delivering a solid first year of financial, operational, and integration performance



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# About This Report

We are pleased to present CelcomDigi Berhad's Integrated Annual Report (IAR) for the financial year 2023 prepared in accordance with the IFRS Integrated Reporting Framework, and other established reporting frameworks and disclosure requirements. This IAR serves as our communication to our stakeholders on how we utilise our resources to manage our risks and opportunities. The report covers all business activities of CelcomDigi in 2023, including information pertaining to our financial and non-financial strategic goals, and how we continue to create value for our brand, business, and stakeholders.

## SCOPE AND REPORTING BOUNDARIES

The scope of this IAR covers the financial year from 1 January 2023 to 31 December 2023 (FY2023) unless otherwise stated, and encompasses all business operations of CelcomDigi Berhad ('CelcomDigi' or 'the Group') including all our subsidiaries.

Sustainability and other non-financial performance only encompass disclosure within wholly-owned subsidiaries of the Group.

No restatements were made unless otherwise stated.

## REPORTING FRAMEWORK AND GUIDELINES

This IAR has been prepared with reference to the following established reporting frameworks and disclosure requirements:

- IFRS Integrated Reporting Framework
- Companies Act 2016
- Main Market Listing Requirements of Bursa Malaysia (MMLR)
- Bursa Sustainability Reporting Guide & Toolkits
- Malaysian Code on Corporate Governance (MCCG)
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Global Reporting Initiative (GRI) Standards
- ISAE 3000 (Revised) – Limited Assurance Engagement
- Task Force on Climate-related Financial Disclosures (TCFD)
- GSMA ESG Metrics for Mobile

## MATERIALITY

We adopted a double materiality assessment to evaluate and disclose the impact of CelcomDigi's activities, broadening our perspectives beyond financial implications to include wider economic, social, and environmental impact. Stakeholder inclusiveness was emphasised in the identification and assessment of each matter, besides taking guidance from CelcomDigi's risk assessment parameters and alignment to Bursa Sustainability Reporting Guide and Toolkits, and the Global Reporting Initiative (GRI).

## RESPONSIBILITY & ASSURANCE

The Board of Directors (Board) of CelcomDigi has ensured the integrity of this integrated report through governance and effective disclosure controls and procedures. The Reporting Committee, comprising the Chief Executive Officer (CEO), Deputy CEO, Chief Financial Officer, Chief Corporate Affairs Officer, and relevant departments have ensured that the report is compliant with all regulations and reporting frameworks. This report was reviewed and approved by the Board on 15 March 2024.

Our audited financial statements are independently audited and prepared in accordance with the MFRS, IFRS, and the requirements of the Companies Act 2016 in Malaysia. The audited financial statements are disclosed in Section 6 from pages 123 to 226. We have also obtained limited assurance from an independent auditor on selected non-financial indicators. Further details of the independent assurance report can be found on pages 227 to 228.

## FORWARD-LOOKING STATEMENTS

The forward-looking statements within this report only provide readers with a potential outlook on our plans. While these statements represent our judgment on future expectations, readers should be aware that any forward-looking statements cannot be deemed to be the guaranteed performances of CelcomDigi, as a number of risks, uncertainties, and other important factors could cause actual results to differ materially from our expectations.

## REPORTING SUITES

We are committed to reporting in a transparent and honest manner. To view the full reporting suite, please visit our website at <https://corporate.celcomdigi.com/annualreport>.

- Integrated Annual Report 2023
- Sustainability Webpage and GRI Index
- Corporate Governance Report 2023

# About This Report

## REPORT NAVIGATION

The following icons help to align our integrated narrative so that readers can get a greater sense of the interconnectivity and inter-relatedness of our business.

### Related Reference



Read More

### Our Capitals



Financial



Human



Intellectual



Social and Relationship



Manufactured



Natural

### Our Stakeholders



Board of Directors



Shareholders, Analysts, and Investors



Government and Regulators



Media



Customers



Suppliers and Business Partners



Employees



Community, Sustainability Partners, and Non-Governmental Organisations (NGOs)

### Our Material Matters



Service Reliability and Quality



Business Development, Expansion, and Investments



Regulatory Compliance



Data Privacy and Cybersecurity



Business Ethics and Corporate Governance



Crisis Management and Response



Customer Satisfaction



Talent and Culture



Occupational Safety and Health



Respecting Human Rights and Freedom of Expression



Digital Inclusion



Online Safety



Supply Chain Management



Climate Change and Environmental Action



Energy Consumption

### Our Corporate Strategy



Accelerate Integration, Synergies, and Operational Excellence



Win in the Core



Build New Core



Shape Assets for Future Growth



Succeed with Talents



# We Are CelcomDigi

**We are driven by our purpose of **Advancing and Inspiring Society** through technology and innovation, with a strong commitment to being an inclusive and responsible business institution.**

Today, we serve more than 20 million customers across the nation, leveraging the combined scale, experience, and talents of two homegrown brands: Celcom and Digi. We are full-speed ahead on network integration and modernisation efforts to deliver the widest and fastest 4G and 5G-ready network in the country.

CelcomDigi aspires to be a new innovation icon for Malaysia, and a company that has the scale and resources to be the nation's digital growth engine, to nurture local talents, to develop the local digital ecosystem, to bring the best solutions, offers, and experiences to our customers, and to be a brand that customers can trust and rely on in the age of 'digital-everything'.

We are also well-positioned to drive 5G adoption and solutions, and to leverage the power of artificial intelligence (AI) to develop new growth opportunities for Malaysian businesses, while attracting partnerships with global technology companies to bring new digital innovation to drive the nation's economic growth.





## We Are CelcomDigi

# Our Purpose

Advancing and Inspiring Society

# Our Vision

To Be The Nation's Top Telco-Tech Company

As the largest telco today, we are transforming ourselves beyond core connectivity to offer best-in-class customer experiences. With our wide range of product and service offerings, we are committed to leading in digitalisation and innovation, enabling an inclusive and sustainable digital society.

# Our Brand Spirit

Creating A World Inspired By You

We are the #1 enabler of the digital lives of Malaysian consumers, businesses, and society. Expressed through our striking new logomark, our brand embodies three fundamental principles - dynamism, passion for customers, and excellence - key drivers in our mission to find innovative ways to help Malaysians achieve everything they aspire to and are inspired by.

# Our Values



## Customer Obsessed

We aim to provide outstanding customer experience for more than 20 million Malaysian consumers and business customers by gaining deep insights and understanding of their needs, and delivering the most relevant products and experiences for them.



## Performing Relentlessly

We are building a culture of performance excellence, based on a consistent and solid track record of delivering effectively through new ways of working that drive operational efficiency, and a strong belief that together, CDzens are greater than the sum of our parts.



## Stronger Together

We draw a richness of perspectives, experiences, and backgrounds from our deep and diverse talent pool, as well as our ability to collaborate and mobilise as one team to drive our purpose and vision and live our brand.

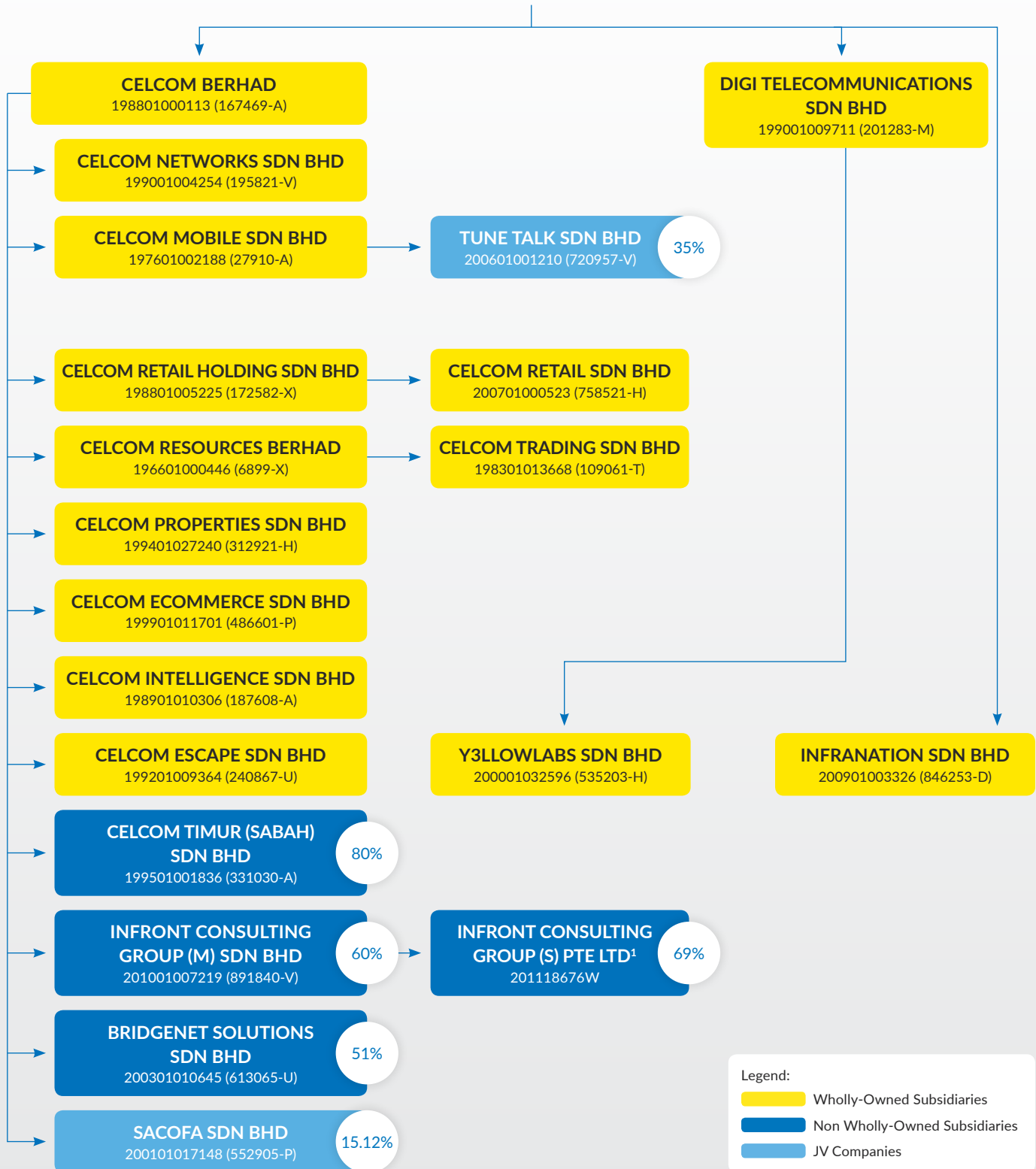


## Responsible and Caring

We are deeply committed to being an inclusive and inspiring company that holds to the highest standards of integrity and business conduct. We act responsibly to ensure we create positive impact for the community and for everyone we engage with.



# Our Corporate Structure



**Legend:**

- Wholly-Owned Subsidiaries
- Non Wholly-Owned Subsidiaries
- JV Companies

<sup>1</sup> The subsidiary had been placed under compulsory winding-up after the reporting date

## Board of Directors' Profiles



**Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz**  
Chair, Non-Independent Non-Executive Director

53



Meetings attended:  
17/17

#### Date of Appointment:

19 January 2023

#### Length of Service:

1 year 2 months (as at 15 March 2024)

#### Career History

Prior to this, Tengku Dato' Sri Azmil Zahrudin served as the Chief Investment Officer at Khazanah Nasional Berhad (Khazanah), overseeing Khazanah's investment portfolio. His tenure at Khazanah included various senior positions, such as Deputy Managing Director and Executive Director of Investments from 2011. Notably, Tengku Azmil held the positions of Managing Director and Chief Executive Officer of Malaysia Airlines, and previously as Executive Director and Chief Financial Officer.

Prior to these roles, he held leadership positions at Penerbangan Malaysia Berhad and gained international experience at PricewaterhouseCoopers in London and Hong Kong. Tengku Azmil also served as Chairman of the UEM Group and Themed Attractions Resorts & Hotels Sdn Bhd, and held directorships in Axiata Group Berhad, IHH Healthcare Berhad, and the Malaysian Global Innovation and Creativity Centre Berhad (MaGIC).

#### Other Commitments

He is currently a non-executive board member of Sime Darby Berhad. He also sits on the Malaysian Accounting Standards Board.

#### Skills & Experience

Tengku Azmil holds a degree in Economics from the University of Cambridge, UK. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA) and a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).



**Haakon Bruaset Kjoel**  
Deputy Chair, Non-Independent Non-Executive Director,  
Board Governance and Risk Management Committee Member

52



Meetings attended:  
18/18

#### Date of Appointment:

11 July 2017

#### Length of Service:

6 years 8 months (as at 15 March 2024)

#### Career History

Mr Håkon Bruaset Kjøel (Haakon Bruaset Kjoel) is a senior corporate and public affairs leader that has held senior global and regional leadership roles in the telecommunications sector across Europe and Asia. He has a successful track record in navigating complex and challenging business environments and is well-versed in the areas of regulatory and public affairs, government and public relations, corporate communications, sustainability, Environmental, Social and Governance (ESG), and strategy development.

As Telenor Asia's Head of Investment Management, he is responsible for Telenor's activities in Bangladesh, Pakistan, Malaysia (CelcomDigi Berhad), and Thailand (True Corporation), both leading telecommunications companies in their respective countries.

Mr Kjoel joined Telenor Group in 1995 and has gained extensive international experience through his involvement in Telenor's international activities in Europe and for the last 24 years in Asia.

#### Other Commitments

Mr Kjoel has more than 15 years of Board experience, and currently serves on the Board of Directors of several Telenor Group companies in Singapore, Grameenphone Ltd in Bangladesh and CelcomDigi Berhad in Malaysia.

Mr Kjoel is also a non-executive Director of the internationally renowned architect and design firm Snøhetta AS headquartered in Oslo, Norway.

#### Skills & Experience

Mr Kjoel holds a Master of Business Administration degree from BI Norwegian Business School in Oslo, where he also studied public relations.



## Board of Directors' Profiles



**Vivek Sood**  
Non-Independent Non-Executive Director,  
Chair of Board Governance and Risk Management Committee

60



Meetings attended:  
17/17

#### Date of Appointment:

19 January 2023

#### Length of Service:

1 year 2 months (as at 15 March 2024)

#### Career History

Mr Vivek has demonstrated leadership across diverse roles, serving as Joint Acting Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO) of Axiata Group Berhad, Executive Vice President and Group Chief Marketing Officer of Telenor, CEO of Grameenphone Bangladesh, CEO of Telenor India, CFO of Telenor India, and Chief Operating Officer and CFO of Tata AIA Life Insurance. His experience includes leading multidisciplinary and multi-cultural teams, overseeing financial matters, and driving transformation within the telecommunications and insurance sectors.

He serves on the boards of Axiata's listed and unlisted subsidiaries. As Group CEO, he takes responsibility to implement Axiata's portfolio, business strategy, and value creation model. His role requires him to develop Axiata's culture, transform business, and build trust among stakeholders and deliver expected returns to investors. In his earlier roles, he has acted as a change agent, steering a major telco's transformation into a digital services provider, and developing innovative services. His global knowledge extends across Asian and European markets, leading teams with diverse cultures and backgrounds.

#### Other Commitments

Mr Vivek is currently Axiata Group Berhad's Group CEO and Managing Director. He also holds board positions in various Axiata subsidiaries, including Dialog Axiata PLC, Robi Axiata Ltd, PT XL Axiata Tbk, Axiata Digital & Analytics Sdn Bhd, Boost Holdings Sdn Bhd, and Axiata Foundation.

#### Skills & Experience

Mr Vivek holds a Bachelor in Commerce from the University of Delhi, India and became a Qualified Chartered Accountant of India in 1989. He conducted his Accountancy and Audit Training at PricewaterhouseCoopers.



**Rita Skjaervik**  
Non-Independent Non-Executive Director

50



Meetings attended:  
18/18

#### Date of Appointment:

30 November 2022

#### Length of Service:

1 year 3 months (as at 15 March 2024)

#### Career History

Ms Skjaervik has held senior and top management positions in the public and private sectors in Norway. She joined Telenor Group in 2014, and has held multiple roles in Telenor Norway and in the Group, such as Senior Vice President (SVP), Head of CEO Office and SVP Head of Group Strategy and External Relations. From December 2021, she was appointed Executive Vice President Strategy and External Relations and consequently a member of the Group Executive Management. She has been a board member in several of Telenor Group's unlisted subsidiaries and has board experience from other Norwegian companies as well.

Prior to joining Telenor, Ms Skjaervik worked as State Secretary from 2005 and Deputy Chief of Staff between 2009 and 2013 for the Prime Minister of Norway. She has also worked as a political advisor for the Labour party in the Norwegian parliament.

#### Other Commitments

Ms Skjaervik is an integral part of the Telenor Group Leadership Team, holding the position of Executive Vice President - People, Sustainability, and External Relations.

#### Skills & Experience

Ms Skjaervik holds a Master of Political Science (Cand.polit.) from the University of Oslo, Norway.

## Board of Directors' Profiles



**Dr Shridhir Sariputta Hansa Wijayasuriya**  
Non-Independent Non-Executive Director

55



Meetings attended:  
18/18

#### Date of Appointment:

30 November 2022

#### Length of Service:

1 year and 3 months (as at 15 March 2024)

#### Career History

Dr Wijayasuriya, a Chartered Engineer, brings decades of telecommunications industry expertise across South Asia and Southeast Asia. He joined Dialog Axiata PLC's founding management team in 1994 and served as CEO for 19 years. His leadership roles at Axiata include establishing Axiata's pan-region digital services business as the founding CEO of Axiata Digital Services. As current CEO of Telecommunications Business at Axiata, he oversees operations in Malaysia, Indonesia, Cambodia, Sri Lanka, and Bangladesh, along with the Group's Enterprise and International Wholesale Businesses. In 2016, Dr Wijayasuriya received the 'Outstanding Contribution to the Asian Mobile Industry' Award from the GSMA, and he served as the nominee of Axiata on the Board of the GSMA.

#### Other Commitments

Dr Wijayasuriya holds the position of Group Executive Director and CEO of Telecommunications Business at Axiata Group Berhad. He also sits on the boards of various Axiata subsidiaries, including Dialog Axiata PLC, Robi Axiata Ltd, Smart Axiata Co Ltd, PT XL Axiata Tbk, and PT Link Net Tbk.

#### Skills & Experience

Dr Wijayasuriya graduated from the University of Cambridge, UK in 1989. Holding a PhD in Digital Mobile Communications from the University of Bristol, UK and an MBA from the University of Warwick, UK. He is a Chartered Engineer and a Fellow of the Institute of Engineering Technology UK since 2004.



**Kasper Wold Kaarbø**  
Non-Independent Non-Executive Director

46



Meetings attended:  
N/A

#### Date of Appointment:

15 March 2024

#### Length of Service:

Less than a year (as at 15 March 2024)

#### Career History

Kasper Wold Kaarbø has long experience as finance leader in Telenor. He is currently the Head of Group Performance, Reporting and Ownership in Telenor Group.

Since joining Telenor in 2004, he has held several senior positions across finance and strategy functions in the group, including Head of Group Treasury, Head of Group Controlling, Planning and Analysis, Director in Group Strategy, and Regulatory Affairs and Senior Business Manager in Group Finance. He started his Telenor career in the finance department of Telenor Norway, business division.

Prior to Telenor, he has experience from PricewaterhouseCoopers Consulting and the Royal Norwegian Navy.

#### Other Commitments

Mr Kaarbø has held various board positions within Telenor over the past ten years. He is currently on the Board of Directors of Telenor Nordic Towers AS in Norway.

#### Skills & Experience

Mr Kaarbø holds degrees in economics and business administration from London School of Economics and Political Science and the Norwegian School of Economics and is a Certified European Financial Analyst (AFA/CEFA). He also has an Executive MBA in Finance from the Norwegian School of Economics. In addition, he has been through Officer Candidate School in the Royal Norwegian Navy.

## Board of Directors' Profiles



**Tan Sri Abdul Farid Alias**  
Independent Non-Executive Director,  
Chair of the Board Audit Committee,  
Board Nomination and Remuneration Committee Member

56



**Meetings attended:**  
18/18

#### Date of Appointment:

30 November 2022

#### Length of Service:

1 year 3 months (as at 15 March 2024)

#### Career History

Tan Sri Abdul Farid has accumulated over 30 years of experience in the banking and financial services sector, with a focus on investment banking, commercial banking and capital markets. He has held various roles in renowned institutions such as Aseambankers Malaysia Berhad, Schroders Malaysia (L) Ltd, Malaysian International Merchant Bankers Berhad and JP Morgan in Malaysia/Singapore. Tan Sri Farid joined Malayan Banking Berhad in 2009 progressing through senior roles and ultimately serving as Executive Director/Group President and Chief Executive Officer from August 2013 until his retirement in April 2022.

#### Other Commitments

Tan Sri Farid currently holds positions on the boards of Bursa Malaysia Berhad and CapitaLand Investment Limited as an Independent Non-Executive Director. Additionally, he serves as a Council Member of Asian Institute of Chartered Bankers.

#### Skills & Experience

Tan Sri Farid holds a Master of Business Administration (Finance) from the University of Denver, USA and a Bachelor of Science in Accounting from Pennsylvania State University. He completed the Advanced Management Programme at the Harvard Business School and is a Fellow Chartered Banker with the Asian Institute of Chartered Bankers.



**Vimala V.R. Menon**  
Independent Non-Executive Director,  
Board Audit Committee Member,  
Board Nomination and Remuneration Committee Member

69



**Meetings attended:**  
18/18

#### Date of Appointment:

1 July 2015

#### Length of Service:

8 years 8 months (as at 15 March 2024)

#### Career History

Ms Menon served as the Senior Independent Non-Executive Director and Chair of the Audit and Risk Committee of Digi until the completion of the merger on 30 November 2022. She is currently an Independent Non-Executive Director under CelcomDigi Berhad.

With over 30 years of experience in finance and general management, Ms Menon, a Chartered Accountant, has held executive roles at Edaran Otomobil Nasional (EON) Berhad and Proton Holdings Berhad, including serving as an Executive Non-Independent board member of EON Berhad from 1990 to 2006.

In her 15 years of board experience, she served as an Independent Non-Executive Director and Audit Committee Chair for various companies, including EON Bank Berhad, Jardine Cycle & Carriage Limited, PT Astra International Tbk, Cycle & Carriage Bintang Berhad, Petronas Chemicals Group Berhad, Petronas Dagangan Berhad, and Prince Court Medical Centre Sdn Bhd.

#### Other Commitments

Ms Menon has been a member of the Board of Trustees of Yayasan Tunku Abdul Rahman (YTAR) since 10 November 2021.

#### Skills & Experience

Ms Menon is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Malaysian Institute of Accountants (MIA).



## Board of Directors' Profiles



**Datuk Iain John Lo**  
*Independent Non-Executive Director,  
 Chair of Board Nomination and Remuneration Committee,  
 Board Governance and Risk Management Committee Member*

62



**Meetings attended:**  
17/18

#### Date of Appointment:

24 May 2021

#### Length of Service:

2 years 10 months (as at 15 March 2024)

#### Career History

Datuk Iain started his career in 1987 as a civil engineer with the engineering consultancy firm, Konsortium Malaysia, based in Kuching, Sarawak, Malaysia. In 1990, he joined Sarawak Shell Berhad as a field engineer, and has held various senior roles in Malaysia and Singapore. He served as the Asia Pacific Regional Advisor to Shell's Executive Committee at Shell International in The Hague from 2004 and 2006.

Datuk Iain retired as the Country Chair of Shell Malaysia Ltd in March 2021. Datuk Iain brings over 30 years of extensive knowledge and experience from his time with Shell, both in Malaysia and abroad.

#### Other Commitments

Currently, Datuk Iain is an Independent Non-Executive Director of RHB Bank Berhad and RHB Investment Bank Berhad. He actively contributes to the Board Nomination and Remuneration Committee, and the Board Audit Committee at RHB Bank Berhad. Additionally, he chairs RHB Bank Berhad's Board Sustainability Committee.

He also serves on the Board of Guardians of the Sarawak Sovereign Wealth Future Fund.

#### Skills & Experience

Datuk Iain has a Bachelor and Master of Science in Civil Engineering from the University of California, Los Angeles, USA.



**Khatijah Shah Mohamed**  
*Independent Non-Executive Director,  
 Board Audit Committee Member,  
 Board Governance and Risk Management Committee Member*

68



**Meetings attended:**  
18/18

#### Date of Appointment:

30 November 2022

#### Length of Service:

1 year 3 months (as at 15 March 2024)

#### Career History

Puan Khatijah has accrued 29 years of business management and organisational leadership roles in the Information Technology sector working with various Multinational Corporations in Malaysia, Hong Kong, United States and the Middle East. Puan Khatijah started her career with International Business Machines Corporation (IBM). She was later appointed as the Managing Director for Oracle Systems Malaysia and subsequently, as the Managing Director of SAP Malaysia, overseeing the Malaysia, Brunei, and Pakistan markets. In 2005, she became General Manager at SAP AG in Dubai, where she managed the company's business across 15 countries in the Middle East. She then delved into entrepreneurship starting her Real Estate Business in Dubai under the Engel & Voelkers Franchise where her business became one of the most successful operations for Engel & Voelkers worldwide in 2008.

Puan Khatijah has prior board experience as an Independent Non-Executive Director, serving as Chair of the Board Risk and Compliance Committee, Chair of the Board IT Steering Committee, member of the Board Audit Committee, member of the Board Dispute Resolution Committee at Celcom Berhad as well as member of the Axiata Board Cyber Security Steering Committee. She has also served as a Board Member of MIMOS Berhad, an agency under the Ministry of Science, Technology and Innovation (MOSTI) for seven years.

#### Other Commitments

Currently, Puan Khatijah serves as a Director of Sanicare Hygiene Services Sdn Bhd and Prima Waste Sdn Bhd.

#### Skills & Experience

Puan Khatijah holds a Diploma in Computer Science from Universiti Teknologi MARA.

## Board of Directors' Profiles

### Notes:

#### 1. Family Relationship with Director and/or major shareholder of the Company

None of the Directors have any family relationship with any Director and major shareholder of the Company.

#### 2. Conflict of interest or potential conflict of interest with the Company and/or its subsidiaries

Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz, Vivek Sood, and Dr Shridhir Sariputta Hansa Wijayasuriya are nominees of Axiata Group Berhad, of which Khazanah Nasional Berhad is the largest shareholder at approximately 37%. Khazanah in turn is 100% owned entity by Ministry of Finance Inc, which is also the 100% shareholder of Digital Nasional Berhad.

Haakon Bruaset Kjoel, Rita Skjaervik, and Kasper Wold Kaarbø are nominees of Telenor ASA, a major shareholder of CelcomDigi by virtue of its 33.1% equity interest held by its indirect wholly-owned subsidiary, Telenor Malaysia Investments Pte Ltd in CelcomDigi.

Datuk Iain John Lo is a member of the Board of Guardians of the Sarawak Sovereign Wealth Future Fund, which in turn is related to State Financial Secretary of Sarawak. The State Financial Secretary of Sarawak owns 20.5% equity interest in Sacofa Sdn Bhd (Sacofa). CelcomDigi owns 15.1% in Sacofa.

Save as disclosed above, none of the other Directors have any other conflict of interest with the CelcomDigi Group.

#### 3. Conviction for Offences

None of the Directors has any conviction for offences within the past five years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

## Management's Profiles



**Datuk Idham Nawawi**  
Chief Executive Officer

56 • Male • Malaysian



**Albern Murty**  
Deputy Chief Executive Officer

51 • Male • Malaysian



**Tan Moi Tsu (Lucy)**  
Chief Financial Officer

65 • Female • Malaysian

### Date of Appointment

30 November 2022

30 November 2022

1 December 2022

### Career History

Datuk Idham was previously the Chief Executive Officer (CEO) and Executive Director of Celcom with over 30 years of experience in the telecommunications and IT industry. Before joining Celcom, he was the Group Chief Corporate Officer of Axiata and has held various senior management positions in companies including Maxis and Packet One Networks in Malaysia and PT Natrindo Telepon Seluler (AXIS) in Indonesia.

Albern was previously the CEO of Digi and has over 22 years of experience in the telecommunications industry. Since joining Digi in 2002, he has held roles in Project Planning and Controls, Product Management and Product Development, and as Head of Strategy and New Business, Chief Marketing Officer and Chief Operating Officer. Prior to that, his experience includes business and commercial management roles in Lucent Technologies across the Asian region.

Lucy was previously the Senior Adviser, Merger Integration in Axiata. She has more than 30 years of experience in accounting and finance and has held multiple senior leadership roles including as the Group Chief Financial Officer at Dialog Axiata PLC and Financial Controller at Maxis Berhad.

### Skills & Experience

Datuk Idham holds a Master of Communications Management from University of Strathclyde, Glasgow, Scotland and is a Chevening scholar. He also holds a Bachelor of Science in Mechanical Engineering from University of Rochester, New York, USA.

Albern holds a Bachelor of Science in Marketing and Advertising Management from Portland State University, Oregon, USA.

Lucy holds a Bachelor of Science with a major in Chemistry, and a Diploma of Education from the University of Malaya. She is also a Certified Public Accountant, Australia.



## Management's Profiles



**Erik Axel Sigurd Marell**  
*Chief Strategy Officer*

55 • Male • Swedish

1 December 2022

Erik was previously the Chief Strategy Officer and Head of CEO Office at Celcom, having joined Axiata as the Head of Corporate Strategy in 2016 before transitioning to Celcom subsequently. Erik brings with him more than 25 years of experience in telecommunications management consulting, professional services, and systems integration that spanned across Asia and Europe. The senior leadership roles he has held include Regional Director of Southeast Asia for the British Telecom's Telconsult and Managing Director of Swedtel Southeast Asia Sdn Bhd.

Erik holds a Bachelor of Science in Business Administration and Economics, majoring in Finance from the University of Umea, Sweden.



**Praveen Rajan**  
*Chief Consumer Business Officer*

45 • Male • Malaysian

1 December 2022

Praveen was previously the Chief Marketing Officer at Digi. He joined Digi in 2007 and brings over 20 years of experience from the Internet and mobile industries. Praveen has held a wide range of commercial leadership positions including as Chief Digital Officer of Digi between year 2016 to 2020, where he started Digi-X, the venture-building unit focused on driving growth through enterprise solutions and partnerships. Prior to joining Digi, Praveen co-founded a social networking startup called LifeLogger in 2003, where he served as the Chief Technology Officer.

Praveen holds a Bachelor of Engineering, Electronics and Computing from Nottingham Trent University, Nottingham, England.



**Kesavan Sivabalan**  
*Chief Technology Officer*

55 • Male • Malaysian

1 December 2022

Kesavan was previously the Chief Technology Officer of Digi and held a similar portfolio within the Developed Asia Cluster under the Telenor Group. Since joining Digi in 2013, he has held various senior positions in the company, including Chief Network Officer and Head of Technology Operations. Before that, he was General Manager of Access Network at Vodafone Australia. Kesavan has more than 20 years of experience in the telecommunications industry across several Asian and European markets including Malaysia, Germany, Australia, Cambodia, Vietnam, and Bangladesh, working with network vendors like Lucent and Ericsson, and operators like Maxis and Vodafone.

Kesavan holds a Bachelor of Business from Deakin University, Australia and a Master of Science in Enterprise Project Management from Stevens Institute of Technology, New York, USA.



**Datuk Kamal Khalid**  
*Chief Transformation Officer*

52 • Male • Malaysian

1 December 2022

Datuk Kamal was previously the Chief Corporate and Transformation Officer at Celcom, where his duties included overseeing functions such as regulatory affairs, legal, community, sustainability, and the company's enterprise project management office. He was also the Lead of the Merger Integration Team from July 2021 to November 2022. Prior to joining Celcom, Datuk Kamal held various leadership positions, including Group Managing Director of Media Prima Bhd and Head of Communications for the Prime Minister's Office of Malaysia.

Datuk Kamal holds a Bachelor of Laws (LLB) from the University of Nottingham, England.

## Management's Profiles



**Chee Loo Fun**  
Chief Home & Fibre Officer

58 • Female • Malaysian



**Afizulazha Abdullah**  
Chief Enterprise Business Officer

56 • Male • Malaysian



**Cheng Weng Hong**  
Chief Sales & Retail Officer

45 • Male • Malaysian

### Date of Appointment

1 December 2022

1 December 2022

1 December 2022

### Career History

Loo Fun was previously the Chief Consumer Business Officer of Celcom. She has more than 30 years of experience in brand, marketing, and telecommunications. She has held multiple senior leadership roles in the Asia Pacific, including as Regional Chief Marketing Officer of SEEK Asia, Chief Marketing Officer at Vodafone Hutchison Australia, Head of Consumer Marketing at Globe Telecom in the Philippines, as well as various leadership positions at Maxis.

Afiz was previously the Chief Operations Officer (Technology) and Chief Enterprise Business Officer of Celcom. Afiz began his career in 1990 as an analyst programmer before spending 14 years at IBM Malaysia, where he became the General Manager for Public Sector and was part of the Senior Management team and business council. He joined Maxis Bhd in 2006 as the Head of Broadband and was made Vice President of Maxis Home Services in 2010. He then joined Celcom and held multiple various senior leadership roles including Chief Advanced Data Officer, Chief Digital Services Officer, and Chief Business Services and Solutions Officer. He was also the Managing Director of On-Site Services Sdn Bhd, a subsidiary of edotco Malaysia, Axiata Group.

Cheng was previously the Chief Sales Officer of Digi and has held various senior positions within the Marketing and Sales Division during his 18 years with the company. Cheng was instrumental in modernising Digi's industry-best sales and distribution network, over the span of many roles including Head of Consumer Sales, and Head of Retail and Controlled Channels. He has also held leadership positions in Product Development and developing Digi's MVNO business. He has more than 20 years of experience in the telecommunications industry, having held leadership roles at Trisilco Folec, prior to joining Digi in April 2004.

### Skills & Experience

Loo Fun holds a Bachelor of Arts (Hons) from Universiti Kebangsaan Malaysia. She also completed the Finance for Executives programme with INSEAD in Singapore and the Customised Executive Education with IBM/Harvard.

Afiz holds a Bachelor of Science in Computer Science from the California State University, Fresno, USA. Afiz has also attended executive education programmes at INSEAD.

Cheng holds a Bachelor of Engineering (Civil and Computing) from Monash University, Australia.

## Management's Profiles



**Azmi Ujang**  
Chief Human Resources  
Officer

64 • Male • Malaysian

1 December 2022

Azmi was previously the Chief Human Capital and Organisation Development Officer of Celcom, leading end-to-end human capital management, including workspace management and the development of a modern corporate office. Prior to that, Azmi spent more than two decades at Maxis Berhad, holding senior leadership roles, including Senior Vice President and Head of Human Resources, and Head of Regulatory, Compliance and Government Relations. Azmi was also a Dealer's Representative for Seagrott & Campbell and joined Standard Chartered Bank as a Management Trainee and subsequently as a National Officer in banking operations and human resources.

Azmi holds a Bachelor of Science in Finance and a Master of Business Administration from the Indiana State University, USA. He also completed the London Business School's Management Programme and the Harvard Business School's Advanced Management Programme.



**Joachim Rajaram**  
Chief Corporate Affairs  
Officer

47 • Male • Malaysian

1 December 2022

Joachim has overall responsibility for the company's legal and governance, regulatory, privacy and data protection, government affairs, corporate communications, and business sustainability functions. He was with Digi and Telenor for almost 14 years, previously serving as Chief Corporate Affairs Officer, Head of Corporate Communications in Telenor Myanmar, and Head of Communications and Sustainability at Digi. Joachim has more than two decades of experience in corporate communications, sustainability planning and governance, public affairs, and business environment management.

Joachim holds a Bachelor of Laws (LLB) from the University of London, England and has attended executive education programmes at London Business School and INSEAD.



**Kugan Thirunavakasaru\***  
Chief Innovation Officer

57 • Male • Malaysian

1 December 2022

Kugan was previously the Chief Emerging Business Officer of Celcom, with 20 years of extensive experience in the telecommunications industry. Prior to Celcom, Kugan was the Chief Marketing Officer at Smartfren Indonesia and a Board member of Sinarmas Digital Ventures responsible for the overall commercial business. Kugan started his career with Ericsson Sweden and has worked in various international markets covering Europe and North Africa during his tenure with Ericsson Sweden before joining Digi and Maxis in various leadership positions.

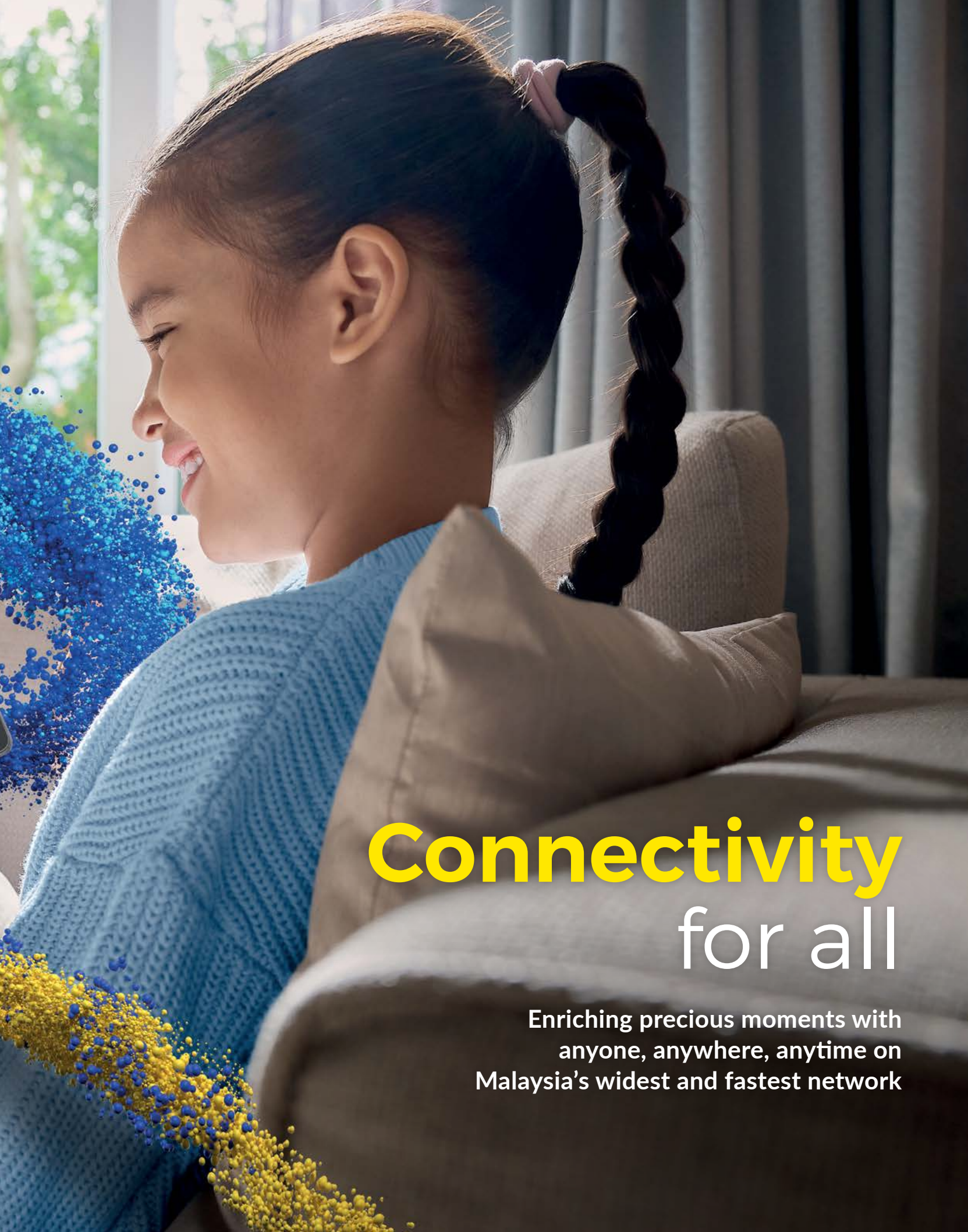
Kugan holds a degree in Electrical Engineering from University Teknologi Malaysia and has completed executive management programmes at Columbia Business School and at Stanford in the USA.

*\*CelcomDigi has established an Innovation Centre (IC) to develop, partner, and commercialise next-generation digital solutions for Malaysian consumers and businesses. The IC is led by Kugan as Chief Innovation Officer, reporting directly to the CEO.*









# Connectivity for all

Enriching precious moments with  
anyone, anywhere, anytime on  
Malaysia's widest and fastest network

# Chair of the Board's Statement

Dear Shareholders,

## REALISING THE FULL POTENTIAL FROM ONE OF SOUTHEAST ASIA'S TELCO MEGA-MERGERS

Over a year ago, we established CelcomDigi aspiring to be the most trusted partner to consumers, businesses, and the government in our endeavour to power Malaysia's digitalisation journey. As one of the nation's largest corporates, expectations were high for the company to deliver on our purpose and fulfil our duty to uphold the highest standards in customer experience, corporate governance, sustainability, and healthy shareholder returns.

The Board has been pleased with CelcomDigi's response in fulfilling these duties.

In the year, we sharpened our strategy to maximise value for our respective stakeholders, made the right investments in people and platforms to deliver on our integration and synergy commitments, and mitigated risks related to evolving industry conditions and customers' expectations. These efforts led us to deliver a solid first year of financial, operational and integration performance.

One year post-merger, we continue to affirm CelcomDigi's position as a leading Malaysian telecommunications institution, well-positioned to drive the country's digital ambitions. We made progress in enabling new growth opportunities for large enterprises and SMEs, providing world-class connectivity and experience to customers, and stimulating innovations in 5G and Artificial Intelligence (AI) through global technology partnerships. Today, we remain focused in our ambition to drive the digitalisation growth for Malaysia's economic advantage.

As we serve the needs of 20.6 million Malaysians, it gives me great pleasure to share that we have met our first-year objectives outlined at the inception of the merger. In the first full year of operations as a single company, the Management and all CDzens have successfully delivered on our goal to be a trusted digital and innovation accelerator for Malaysia, maintained strong



**YM Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz**  
Chair of the Board, Non-Independent Non-Executive Director

operational performance, and returned value to shareholders despite tough external challenges. All this gives the Board confidence that the company's steady pace of operations has set us on the right course to realise the full benefits of the merger and fulfil our purpose of Advancing and Inspiring Society.

## ENABLING THE DIGITAL LIVES OF OVER 20 MILLION MALAYSIANS AND BUSINESSES

We are proud that we continued serving our customers well in our first year of operations. It was always the ambition for our customers to feel the maximum benefit of the merger, with minimal impact. Our combined resources enabled us to deliver improved experiences and innovation for our customers, be they individual consumers or families, SMEs, or large enterprises.

We introduced a wider range of postpaid and prepaid offerings, reached new

customer segments with Home & Fibre and Enterprise Business, served customers of both brands across all retail and service channels, and invested RM1.75 billion in capital expenditure in line with our commitment to deliver Malaysia's future digital network. We also focused on uplifting capabilities of MSMEs and enterprises through workshops on emerging technologies such as 5G and AI to accelerate the digitalisation of more Malaysian businesses. These efforts have contributed to increased customer confidence in CelcomDigi and our network, well reflected in our customer satisfaction (CSAT) scores which improved 3.9 percentage points in 2023.

## HEALTHY SHAREHOLDER RETURNS A CONTINUED PRIORITY

Our solid balance sheet highlights our financial capability and flexibility to continue funding our investments and operational obligations. For FY2023, the Board



## Chair of the Board's Statement

declared a net dividend of 13.2 sen per share, returning a total payout of RM1,549 million to our shareholders, exceeding the minimum 80% dividend payout ratio. As a result of successfully achieving our first-year integration milestones, we realised gross synergies of over RM300 million in 2023. We aim to continue meeting our remuneration policies and synergy savings, and generating strong and sustainable returns to shareholders for the long-term.

Our determination to deliver on these policies and solid performance has been acknowledged by corporate Malaysia. In 2023, The Edge Billion Ringgit Club Awards recognised CelcomDigi for having the highest return on equity over three years in the Super Big Cap Companies group, entering the category for the first time this year.

### SETTING NEW BENCHMARKS TO DELIVER ON OUR PURPOSE IN A SUSTAINABLE AND RESPONSIBLE MANNER

The Board remains focused in maintaining our responsible business leadership and raising ESG standards in Malaysia. In 2023, we established our ESG strategy, setting clear pathways to build trust, inclusion and create shared value for all stakeholders. The strategy ensures we deliver impact by enabling inclusive and safe digital access, maintaining a sustainable value chain, implementing a good governance and performance culture, and managing our environmental impact. In 2023, we signed up to two leadership platforms as part of our commitment to secure a sustainable future. The first was the United Nations Global Compact initiative, a global movement of forward-thinking companies resolved to act based on the Sustainable Development Goals (SDGs). Secondly, we signed a commitment to the SBTi Net-Zero Standard to set a robust emissions reduction target, adding emphasis to our climate focus.

In the year, we contributed meaningfully to advancing society, leveraging connectivity as a key enabler to build thriving communities for the longer-term. We were active in making the internet safer for all, most notably with our joint efforts in the

Jelajah Anti-Scam Kebangsaan programme to increase public awareness and protect Malaysians against sophisticated scam tactics. We drove higher adoption of digital skills among school and university students to nurture the next-generation of top-tier tech professionals to drive our future digital economy. During the flood season, we also took proactive measures to strengthen network resilience and maintain service availability, alongside extending aid relief and rescue efforts to flood victims during these challenging times. A full disclosure of our responsible initiatives is in Section 4: Performance Review on pages 56 to 91.

On this note, I would like to express my gratitude to our community partners and stakeholders for their unwavering support in these endeavours. Through collaboration and innovation, I believe we can address some of society's most complex challenges to enable a more equitable future for all.

Our solid reputation for responsible business practices saw us rank in the top 10 constituents on the FTSE4Good Bursa Malaysia Index, with a 4-star rating on the FTSE4Good Bursa Malaysia Shariah Index, an 'A' rating in the MSCI ESG Ratings, and a low-to-medium risk rating in Sustainalytics' ESG Risk Rating. Additionally, we also attained the gold honour at The Edge Malaysia's ESG Awards. We believe our aim to deliver on our goals sustainably will make us an exceptional organisation for employment, business partnerships, and investment.

### PRACTICING HIGHEST STANDARDS OF GOOD CORPORATE GOVERNANCE

As we pursue our future plans, the Board recognises that we must uphold our commitment to practice the highest governance, ethics, and integrity standards. This is extremely important during a time of widespread digitalisation, where trust and transparency are crucial to operating a robust business and creating long-term value for all. We have an unwavering commitment to compliance and integrity across the organisation when capitalising on opportunities or addressing challenges faced in the market. Our governance approach is benchmarked and reviewed regularly against

the latest in industry best practices. Pages 94 to 122 of Section 5 provides further disclosure on these procedures.

### MOVING FORWARD WITH CONFIDENCE AS MALAYSIA'S LARGEST TELECOMMUNICATIONS OPERATOR

With a solid first year behind us, we have renewed belief that our purpose, strategy, and execution abilities position us well under existing competitive conditions. The Board and I are confident we have the right blend of skills, experience, and backgrounds to oversee this business and support the management team in implementing our strategy. I would like to take this opportunity to thank my esteemed colleagues on the Board, and former Board members and Deputy Chairs Jørgen Rostrup and Petter-Boerre Furberg for their invaluable contributions this past year.

On behalf of the Board, I also wish to extend my appreciation to our customers, the government, regulators, and shareholders for your trust in CelcomDigi and our vision to be a strong ally to realise a truly digital Malaysia. We also express our deepest thanks to the Management and all CDzens, for your tenacity and continued dedication towards driving the companies' strong performance and solid integration progress in 2023.

We remain optimistic about the future of CelcomDigi. The company has the right priorities, capable leadership and people, and good integration momentum to achieve the vision we have set for ourselves, for the benefit of all our stakeholders.

We look forward to engaging with our shareholders on our future business plans at our 27th Annual General Meeting (AGM), which will be held virtually on 27 May 2024. Please see the details outlined in our Notice of AGM on pages 252 to 260.



# Chief Executive Officer's Review

Dear Shareholders,

## DELIVERING A SOLID FIRST YEAR OF FINANCIAL, OPERATIONAL, AND INTEGRATION PERFORMANCE

2023 was our first full year of operations as CelcomDigi, a fully merged company. We are pleased to report that we delivered a strong performance with solid progress on integration, against the backdrop of intense market and macroeconomic pressures. We closed the year in a stronger leadership position with positive growth across all business areas. We also launched a new and exciting CelcomDigi brand which earmarked a new journey for us to become an institution that inspires the digital lives of all Malaysians we serve.

I strongly believe that our focus on people and culture was central in enabling many of the successes of our first year as a new company. I am extremely pleased in the way our employees - fondly known as CDzens - have come together, uniting under a common new DNA, and are single-mindedly pushing forward to ensure our customers are the biggest beneficiaries of this merger. Our CDzens are our greatest strength, and their passion and commitment to our purpose fills me with confidence and inspiration every day.

I am proud of all we have accomplished together as team CelcomDigi. By any objective measure we have surpassed stakeholder and market expectations on performance and integration - outpacing similar mergers of this magnitude in the first year of operations. We remain determined in our aspiration for CelcomDigi to be the innovation icon for the nation, leveraging our scale, resources, and experience to be Malaysia's digital growth engine, and remaining a caring and responsible corporate citizen. There is more to do, and I have full confidence in our ability to deliver.



**Datuk Idham Nawawi**  
Chief Executive Officer

## SUSTAINING MARKET LEADERSHIP, REAPING THE BENEFITS OF CONSOLIDATION

2023 was a well-executed year for us with full delivery of our strategy and guidance. We delivered on integration and synergy targets, with a deepened focus on managing the impact of our business to our ecosystem and the environment.

### One team, one direction, stronger together

In 2023, we made significant progress in integrating the organisation through a variety of people-oriented and customer experience initiatives. At the heart of this was internalising our purpose, strategy, ambitions, and core values, and setting clear expectations which helped rally CDzens towards a common

goal. The senior management team was identified and appointed on day one, and we completed the appointment of middle management and put in place a new organisation structure within the company's first 100 days. This was followed by the harmonisation of benefits, salaries, job levels, and roles for all employees.

In March, we enabled all Celcom Bluecubes and Digi Stores nationwide and exclusive partners' touchpoints to be able to serve both Celcom and Digi customers seamlessly with a range of sales and service functions. In July, we announced that all our 50 Celcom Bluecubes and 27 Digi Stores nationwide will be opened 365 days a year to serve the needs of all customers. To improve their network experience, Celcom and Digi customers nationwide

## Chief Executive Officer's Review

enjoyed an improved coverage experience from close to 400 MOCN (Multiple Operator Core Network) sites activated.

### Sustained market leadership with growth across all segments and a stronger subscriber base

It has been a busy year for us in the market. We launched over 50 product campaigns, leveraging the strength of our 4G network and 5G connectivity to provide the best experience with a new portfolio of 5G products and solutions for all consumer and business segments. As a result, we added close to 500,000 new subscribers to our network, growing our total subscriber base to 20.6 million.

Our enterprise business delivered 7% growth in solutions revenue, contributing to a positive performance overall in the B2B segment. We also made solid progress in our Home & Fibre business with the fastest relative growth in the market, ending the year with more than 100,000 subscribers in our base.

### Fully delivered FY2023 guidance, synergy target on track

In 2023, we were able to grow both our revenue and profitability. We recorded the highest ever Total Revenue of RM12.7 billion at a 1.4% growth in FY2023, while maintaining a healthy EBITDA margin of 48.5%. Our Profit

After Tax (PAT) stood at RM1.6 billion, impacted by the short-term non-cash related adjustment from the merger. We also realised synergy savings of over RM300 million, achieved through focused market execution and disciplined cost management.

I am pleased to report that we delivered according to our guidance in all aspects and that we were able to pay total dividends of 13.2 sen per share for the year, in line with our dividend commitment to shareholders.

### Strong performance in 2023, delivering to shareholders

#### Delivered 2023 Financial Guidance

2023 Guidance		2023 Achievement
Maintaining growth momentum	Service Revenue Growth	0.4% <sup>1</sup>
Flat to low single digit increase	EBITDA Growth	3.3% <sup>1</sup>
Around 15% to 18%	Capex Intensity	RM1.7 billion / 13.8% <sup>2</sup>

Total Subscribers  
**20,552K**  
446k YoY

Total Revenue  
**RM12.7 billion**  
1.4%<sup>1</sup> YoY

PAT  
**RM1.6 billion**  
Normalised<sup>3</sup>: RM2.2 billion  
3.2% YoY

FY2023 Dividend  
**13.2 sen**

<sup>1</sup> Comparable basis results which includes contribution from Celcom's results as if the merger was completed on 1 January 2022 and after excluding merger transaction costs and accounting alignment adjustments

<sup>2</sup> Achieved through effective procurement strategy undertaken at the beginning of the merger

<sup>3</sup> Normalised PAT to exclude the accelerated depreciation which commenced in 4Q2022 with the revision in assets useful life and sites rationalisation



Watch the CEO Reflections video on FY2023 on CelcomDigi's website <https://celcomdigi.listedcompany.com/financials.html>.



Read more about our performance in Section 4: Financial Capital on pages 56 to 60.

## Chief Executive Officer's Review

Solid first-year of integration, meeting all Year 1 milestones

### 2023: Integration Progress Highlights



Completed **organisational integration** for business continuity



Harmonised **channels** with integrated **sales** teams



Embracing **new CelcomDigi** culture

celcomdigi

Launched **new iconic CelcomDigi** brand



>50 **product campaigns** including unified **5G offerings**



Celcom **bluecubes** & **Digi** Stores **open 365 days** a year



~5,000 **sites integrated** ahead of schedule



Efficient **cost management** & improved **free cash flow**



Realised **gross synergy** of **RM366 million**

### DELIVERING SUPERIOR CUSTOMER EXPERIENCE AND INSTITUTIONALISING OPERATIONAL EXCELLENCE

#### Building Malaysia's future digital network for better network experience

We commenced a massive network integration and modernisation project, to build Malaysia's most advanced and widest digital network with the latest 4G LTE and 5G-ready technologies. Upon completion in 2025, the new 18,000-site network will offer our customers an elevated quality of experience reaching 98% of populated areas. In 2023, we completed 35% of our modernisation targets, integrating over 5,600 sites across the country.

#### Serving customers across the largest network of physical and digital touchpoints

We are operating one of the largest retail networks in the country with more than 12,000 outlets, of which over 400 are

our own branded stores. All customer segments can experience our services and receive support across all our stores, including purchasing the latest mobile and smart home devices. Our customers are also being served digitally on two popular Digital apps, the Celcom Life and myDigi app, with 8.9 million active users daily. Our ambition is to develop the most used AI-enabled digital app in the country where customers can perform all their transactions with CelcomDigi.

#### Adopting the most effective and efficient operating models to support our customers

We are reviewing our current operating models and will make changes to how we operate in our technology, go-to-market, and support functions. While these new models will give us a strategic competitive advantage and ability to serve our customers better, we will also continue to prioritise maximising operational cost efficiencies in our decisions.

### INNOVATING TO DELIVER VALUE BEYOND CORE

Innovation is core to our strategy, and relevant across every area of our business. We believe that with our scale, CelcomDigi is well-positioned to become a strong partner to global technology leaders and to develop a thriving local digital ecosystem.

#### Empowering a new era of enterprise transformation through 5G, AI and more

In bringing 5G solutions to enterprises, we continued to work with various companies to develop technology solutions and use-cases across multiple industries, with a special focus on small and medium enterprises (SMEs).

We were also active in advocating the transformative benefits of 5G through a wide range of programmes. This includes the MY5G CEO Roundtable series, which gathered top leaders from diverse industries and global partners

## Chief Executive Officer's Review

to share insights on fast-tracking industrial transformation. We also held the MY5G SME Digital workshops to engage Malaysian businesses on driving adoption of 5G applications and reaping the benefits of digitalisation.

### Partnerships with global technology giants to explore new frontiers

We are operating in a rapidly evolving sector that will witness the biggest transformations in the coming years with artificial intelligence (AI), virtual reality (VR), and augmented reality (AR) powering a range of new applications for consumers and businesses. We are also beginning to see AI feature more prominently in many captivating technologies – from futuristic gadgets that bridge the gap between human and machine interaction, to powerful business tools that leverage intelligent automation. These offer a glimpse into AI's exciting future and are changing the way our services are being built and

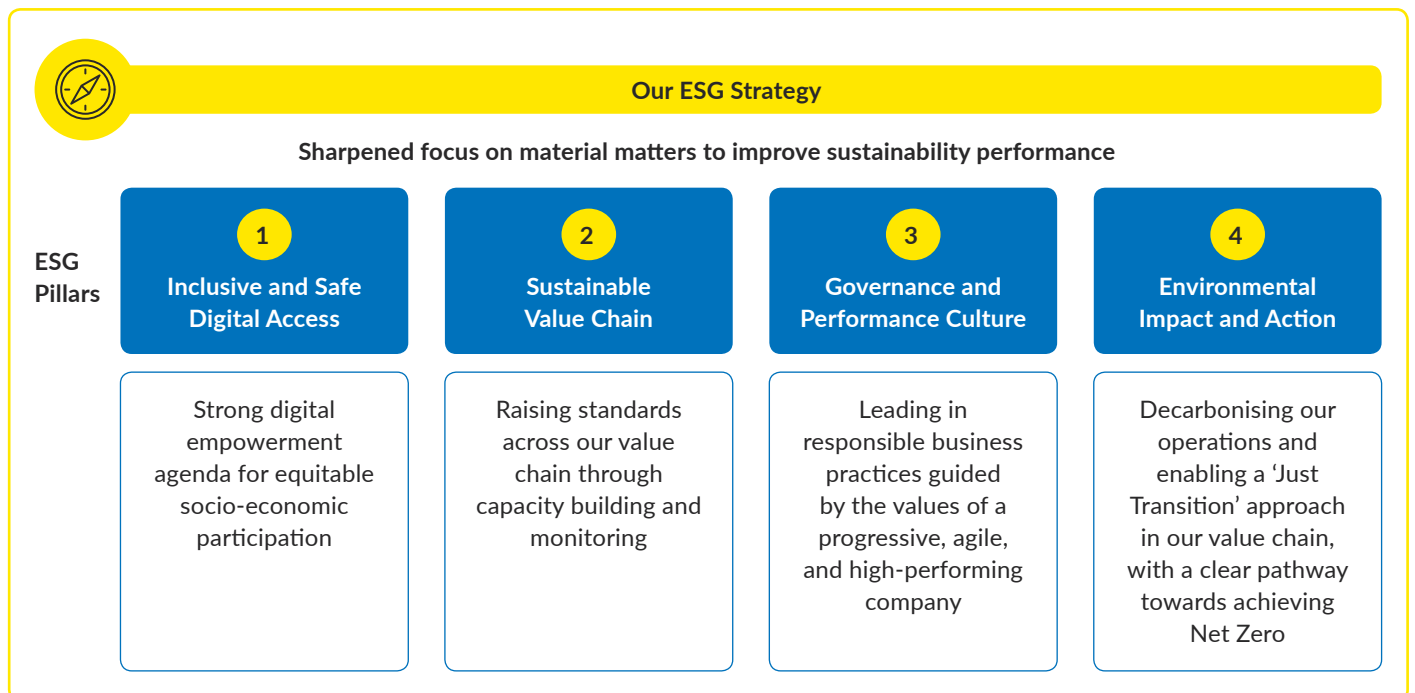
consumed. We will continue to invest in the infrastructure, partnerships, and competencies needed to support this demand. In the year, we established a number of collaborative partnerships with global technology companies from Asia, Europe, and the United States to ensure we keep abreast of these developments and position ourselves to take full advantage of these technologies to deliver innovation for customers, stay ahead of competition, and drive the nation's digital aspirations.

### FOCUS ON ESG TO BUILD A BRAND MALAYSIANS CAN TRUST AND RELY ON

As an organisation that reaches two thirds of the Malaysian population, it is our responsibility to ensure we prioritise the security and safety of customers on our network. In 2023, we established many initiatives that institutionalised high standards of privacy, governance,

and cybersecurity practices into every product, process, and system we manage. We also collaborated on a nationwide war against scam to protect customers from fraud tactics.

We are rooted on governing and conducting our business responsibly. We have received strong acknowledgement on various ESG and Sustainability indices this past year, demonstrating that we are on the right track in this area. We have put in place a comprehensive ESG strategy to ensure we focus on maturing our efforts and collective action in addressing all short- and long-term sustainability issues related to our sector. We believe that our ambitions to be a leader in ESG best practices and commitment to build a responsible business will make us a brand that Malaysians can trust and rely on for their digital needs.



Read more about our Sustainability Strategy Framework in Section 3 on page 42.



## Chief Executive Officer's Review

### SHAPING UP FOR FUTURE GROWTH

We are building CelcomDigi to be a progressive, forward leaning, and customer-centric organisation that believes in developing talent and creating a work environment built on a culture of innovation. This strong foundation combined with leveraging our widest network footprint, extensive distribution channels and partner ecosystem, wide range of innovative digital products and services, and superior customer experience will enable us to become the nation's top telco-tech company.

Moving forward in our journey, achieving growth and profitability amid a challenging market environment remains a top priority, and our strategy to win is straightforward, outlined by three key priorities for 2024:

- Focus on growth**  
 We are strengthening core and new growth areas through delivering superior customer experience with 5G and converged services. We will drive new revenue growth in adjacent Enterprise connectivity and Digital ICT services and become a significant player in the Home & Fibre segment. We will selectively invest in new technologies and digital platforms to build a sustainable strategic competitive advantage and new revenue opportunities.
- Deliver synergies and scale efficiency**  
 We are accelerating integration activities and institutionalising operational excellence to realise RM8 billion synergies in net present value. This will enable us to further invest in service quality and overall brand and customer experience via digitalisation and innovation.

- Consistent shareholder returns**  
 We are committed to our promise of strengthening the resilience of shareholder returns with sustainable dividends to all shareholders, backed by a strong balance sheet and synergies.



Read more about our Value Creation Model and Strategy in Section 3 on pages 28 to 29 and 51 to 53.

### LOOKING AHEAD WITH THE OPPORTUNITY AND RESPONSIBILITY TO ADVANCE AND INSPIRE

I am optimistic that 2024 will be an exciting year for CelcomDigi as we build on our execution momentum, create new operating models grounded in operational excellence, and deepen our obsession on customer experience. We will continue building capacity and solutions leveraging the power of emerging technologies as we move forward to deliver on our purpose of Advancing and Inspiring Society, in support of Malaysia's broader ambition to be a thriving technology hub and digital nation.

#### CelcomDigi's 2024 guidance

- Low single digit increase in service revenue
- EBIT level similar to 2023
- Capex intensity of between 15% to 18%

*On behalf of the Management team, I would like to say thank you to all our customers for your trust and support as we continue this ambitious merger and network modernisation journey. Putting you first in all we do inspires us to keep looking forward and open to opportunities to do better for you.*

*My appreciation to all our partners and shareholders for your continued confidence and investment in CelcomDigi. We are also thankful to the Ministry and the MCMC for their collaboration and engagement in ensuring digital Malaysia is a shared and inclusive reality for all segments of society.*

*I would also like to thank the Board of Directors of CelcomDigi Berhad, for their guidance and in working closely with management to deliver on our goals and commitments in 2023.*

*Last but not least, I thank all CDzens, who have shown true grit and determination in executing our strategy and integration priorities to deliver a solid first-year. They have truly embodied the 'stronger together' spirit and proven what I believe is core to our DNA. It has been a true privilege for me personally and the management team to bring two amazing teams together in our first year post-merger, and we look forward with enthusiasm to team CelcomDigi winning in the era of 'digital-everything'.*

## Three-Year Financial Summary

	2021 <sup>1</sup>	2022 <sup>2</sup>	2023 <sup>3</sup>
<b>KEY FINANCIAL RESULTS (in RM million)</b>			
Revenue	6,336	6,773	12,682
Telecommunications revenue			
- Service revenue	5,341	5,770	10,859
- Others	95	97	108
- Sales of devices	900	906	1,715
Earnings before interest, taxes, depreciation and amortisation (EBITDA) <sup>4</sup>	3,009	3,013	6,155
Earnings before interest and taxes (EBIT)	1,729	1,578	2,689
Interest cost	210	257	632
Profit before taxes	1,515	1,330	2,181
Profit after taxes	1,162	848	1,567
Organic capital expenditure (Capex)	803	888	1,812
Operations (ops) cash-flow	2,606	2,559	5,083
<b>KEY FINANCIAL POSITIONS (in RM million)</b>			
Total assets	7,840	38,012	36,427
Non-current liabilities	4,275	12,850	12,546
Total debts	4,960	14,887	12,997
- Conventional borrowing	333	814	610
- Islamic borrowing	2,168	8,060	7,028
- Bankers' acceptances	-	3	5
- Finance lease	2,459	6,010	5,354
Shareholders' equity	633	16,399	16,459
<b>KEY FINANCIAL RATIOS</b>			
Return on equity	184%	5%	10%
Return on total assets	15%	2%	4%
EBITDA margin	47%	44%	49%
Net debt/EBITDA (x)	1.6	4.5	2.0
Interest cover (x)	8.2	6.1	4.3
<b>SHARE INFORMATION</b>			
Earnings per share (sen)	14.9	10.4	13.2
Dividend per share (sen)	14.9	12.2	13.2
Net assets per share (sen)	8.1	201.9	140.3
Dividend yield	3.4%	3.1%	3.2% <sup>5</sup>

### Notes:

<sup>1</sup> Consolidated financial results of Digi Group of entities

<sup>2</sup> Restated full year consolidated financial results of Digi Group of entities as well as December 2022 Celcom Group of entities' results subsequent to the completion of Celcom-Digi merger on 30 November 2022

<sup>3</sup> Consolidated financial results of CelcomDigi Group

<sup>4</sup> EBITDA excludes the gain or loss on:

- disposal and write-off of property, plant and equipment
- disposal and write-off of intangible assets
- termination of lease

<sup>5</sup> Closing share price of RM4.08 as at 31 December 2023