



Press Release

Axiata Group moves forward with Delayering of XL Axiata and Link Net

Strengthening Position in Capturing FBB and FMC Market in Indonesia

JAKARTA / KUALA LUMPUR, 6 DECEMBER 2023 – Axiata Group Berhad (“Axiata” or “the Group”) today announced that it is driving forward the structural transformation of its Indonesian subsidiaries, PT XL Axiata Tbk (“XL Axiata”) and PT Link Net Tbk (“Link Net”), to accelerate the strategic shift towards becoming a ServeCo and a FibreCo.

This strategic move aims to bolster the position in optimising the opportunities within Indonesia's underpenetrated Fixed Broadband (“FBB”) and Fixed Mobile Convergence (“FMC”) markets. XL Axiata and Link Net have reached non-binding agreements, encompassing the transfer of Link Net's FBB business including its 750,000 customers to XL Axiata and the roll out of an additional 2 million new homes passed by Link Net, which will enable XL Axiata to deliver FBB and FMC services for its growing customers and the wider Indonesian community. Upon completion of the additional 2 million roll-out, Link Net will enable nearly 6.5 million access to home passes as a leading wholesale FibreCo.

XL Axiata and Link Net will proceed to set out a binding agreement for the terms, which will be carried out in compliance with prevailing regulations, including that of the Financial Services Authority (OJK) related to affiliated transactions and material transactions.

The joint agreement marks an important milestone for Axiata as it moves closer to achieving strategic structural transformation of XL Axiata and Link Net in Indonesia. The construction of substantial new homes passed by Link Net to support XL Axiata underscores its pivotal role as a leading FibreCo. Furthermore, the transfer of Link Net customers to XL Axiata will fortify XL Axiata's position as a prominent ServeCo, fuelling the growth ambition of FBB and FMC offerings throughout Indonesia.

President Director & CEO of XL Axiata, Dian Siswarini states, "Our convergence services continue to receive positive response from the public. The vast pick-up in demand for FBB and FMC services strongly affirms our strategic direction. We believe the collaboration between XL Axiata and Link Net will allow us to capture this greater demand and drive the acceleration of growth of FBB and FMC services in Indonesia. By expanding our network infrastructure and extending service availability, we will effectively reach the broader Indonesian community, catering to their evolving convergence needs and preferences for a suite of both fixed, mobile and content services."

Dian adds, "The transfer of Link Net's substantial customer base, which consists of around 750,000 subscribers to XL Axiata marks an exciting milestone for us, as it considerably

expands our customer base for FBB and home entertainment services. Consequently, this catapults XL Axiata to become the second largest FBB provider in Indonesia with 1 million customers. In line with our convergence strategy, this transition allows us to offer our new customers an array of products and services offered by XL Axiata, backed by our ever-expanding, high-quality network infrastructure for enhanced seamless customer experience. Furthermore, we are in the process to explore a carve-out of our own built last-mile fibre homes passed for better utilisation of assets in line with our Asset Light Strategy.”

Director & Acting CEO of Link Net, Kanishka Wickrama mentioned, "We share the same commitment as XL Axiata in offering the best FBB and FMC services to potentially millions of valued customers as we simultaneously pursue the transformation of Link Net into a leading FibreCo. The non-binding agreement to transfer Link Net's retail business to XL Axiata will enable us to focus on our core expertise in network development, progressing towards achieving our goal to become a globally recognised FibreCo. Moreover, the additional 2 million homes passed to be rolled out for XL Axiata will fuel substantial growth for Link Net in the foreseeable future.”

Group CEO & Managing Director of Axiata Group, Vivek Sood stated, “As a committed long-term investor, Axiata is encouraged by our progress in advancing Indonesia’s digital readiness, and in laying a strong foundation for a future-ready digital economy, towards powering the technological transformation in Indonesia. Our delayering strategy enables both operating companies to accelerate organisational agility, allow scalability, and maximise value. It will also bolster the ability to attract the relevant partners for each entity.”

“Through this strategic approach, both XL Axiata and Link Net will expedite the growth potential of their respective businesses. XL Axiata stands to benefit from expanded access to extensive fibre optics infrastructure with minimum investment. Meanwhile, Link Net will concentrate its efforts on expanding infrastructure to meet the thriving market demand, positioning it for increased market significance. In due course, we will invite investors to partner with us in this growth opportunity.

Over the next two years, Link Net will enable 6.5 million home passes for XL Axiata to build on the existing 1 million customers, with a majority to receive a converged offer.” he adds.

“With our strategic priorities clearly outlined, Axiata will drive performance improvements and accelerate profitable growth across Indonesia and our other geographic footprints to deliver on the full potential of our digital telcos, digital business and infrastructure segments, supported by focused capital allocation.” concluded Vivek.

This collaboration will streamline the access to premium quality FBB and first-class convergence services, whereby the Indonesian community can now look forward to further enriched customer experience. Furthermore, this joint effort aligns with the government's objective of promoting digitalisation within the society, contributing to the nation's technological advancement and digital transformation.

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About Axiata

In pursuit of its vision to be The Next Generation Digital Champion, Axiata is a diversified telecommunications and digital conglomerate operating Digital Telcos, Digital Businesses and Infrastructure businesses across a footprint spanning ASEAN and South Asia.

The Group has controlling stakes in market-leading mobile and fixed operators in the region including 'XL' and 'Link Net' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, and 'Smart' in Cambodia while 'CelcomDigi' in Malaysia is a Key Associate Company. Axiata's regional digital business verticals comprise 'Boost' a fintech company, and 'ADA', a digital analytics and AI company. 'EDOTCO' is among the top 10 independent TowerCos globally, operating in nine countries to deliver telecommunications infrastructure services.

As a committed and long-term investor, the Group actively supports and drives young talent development; community outreach; as well as climate change initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent to drive digital inclusion and sustainable progress across our markets. Find out more at www.axiata.com.

For media enquiries, please contact:

Sujartha Kumar

Head of Corporate Communications

Tel: +6011.10.000.177

Email: sujartha@axiata.com

About XL Axiata

PT XL Axiata Tbk (XL Axiata) is one of the leading telecommunication companies in Indonesia. XL Axiata focuses on providing convergence services in order to provide the convenience for the people's life activity and encourage the digital economy development in Indonesia. Starting to operate commercially since October 8, 1996, XL Axiata now provides various services for the retail and corporate customers supported by the wide and qualified network throughout Indonesia. Since 2015, XL Axiata has implemented the qualified network of 4G LTE with national scale, continued by the development of 5G network in the third quarter of 2021. XL Axiata is the part of Axiata Group with CelcomDigi (Malaysia), Dialog (Sri Lanka), Robi (Bangladesh), Smart (Cambodia), Boost, ADA, edotco, and Link Net (Indonesia).

For further information, please contact:

Reza Mirza

Group Head Corporate Communications XL Axiata

Telp: +62 817-0007-110

Email: REZAZ@xl.co.id

About Link Net

PT Link Net Tbk ("Link Net") has been operating since 2000, has a mission to transform lives by providing innovative and exceptional broadband and media services and solutions. As one of the largest cable service providers in Indonesia, Link Net provides high-speed broadband internet, high-quality pay television services and streaming contents for residential customers under "First Media" brand, as well as connectivity services and Information and Communication Technology solutions for corporate customers under "Link Net Enterprise" brand.

Link Net owns and operates a network of Hybrid Fibre Coaxial cable ("HFC") and Fibre-to-the-Home ("FTTH") that provides high-speed internet access services. Link Net is the part of Axiata Group with CelcomDigi (Malaysia), Dialog (Sri Lanka), Robi (Bangladesh), Smart (Cambodia), Boost, ADA, edotco, and XL Axiata (Indonesia).

Learn more at www.linknet.co.id (Link Net corporate website), www.firstmedia.com (residential segment) or <https://www.linknet.id> (enterprise segment).

For media questions, please visit:

Joel Ellis

Head of Business Transformation

Telephone: +6281291177785

Email: joel.ellis@linknet.co.id