

**NEWS RELEASE
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**CELCOM ACCELERATES NETWORK INVESTMENTS
TO ENHANCE NETWORK RESILIENCY AND EXPAND 4G COVERAGE NATIONWIDE**

Records Positive Growth for the 3rd Quarter Amidst Pandemic

Key highlights:

- Accelerated investments of RM256 mil for network capacity and site optimisation works
- Recorded more than 40% surge in data traffic in 3Q20 compared to 4Q19
- 4,700 site upgrades to expand 4G capacity and coverage, by February 2021
- Nationwide cluster optimisation program for an additional 3,600 network sites, targeted to be completed by August 2021
- Resilient recovery; outperforms market in all revenue metrics and segments;
- Improved overall cost base, improved profitability YoY and QoQ
- Significant improvement in subscriber base QoQ, with over 370k new subscribers
- QoQ Revenue excluding device, positive growth of 6%

PETALING JAYA, 1 DECEMBER 2020 – Celcom Axiata Berhad (Celcom) is accelerating approximately RM256million of network investments to upgrade its network capacity and deploy more 4G base station towers nationwide, improving 4G coverage and quality, in both rural and urban areas. Celcom's accelerated network investments from 2020 into early 2021 will be further supported by the allocated capital expenditures in FY2021.

For the 3rd Quarter of FY2020, Celcom recorded an overall positive growth with QoQ improvements in Subscribers, Revenue, Cost and Profitability. Celcom's business growth and profitability are the results of new product offerings and strong sales and distribution performance; delivering positive net adds in Postpaid segments and robust growth in the Prepaid segment.

Celcom also recorded more than 40% of data traffic in the 3rd Quarter of 2020, compared to 4Q19, as more consumers are digitally engaged from their homes. To support the increasing demand, Celcom is further accelerating network investments and expanding the reach of its 4G network coverage.

By February 2021, Celcom targets a total of 4,700 network sites, 49% in urban areas and 51% in rural areas, to be upgraded and optimised with capacity upgrades, installation of new 4G equipment and core network optimisation programs. This also includes upgrading and optimising almost 1,000 4G network sites in Sabah and Sarawak, improving Celcom's 4G coverage in rural areas.

Furthermore, Celcom will also continue with a nationwide cluster optimisation program for an additional 3,600 network sites, upgrading to better capacities to address buffering issues and deliver better voice and video quality for consumers, targeted to be completed by August 2021.

Idham Nawawi, Chief Executive Officer of Celcom Axiata Berhad said Celcom's overall network experience is one of the key reasons for consumers choosing Celcom as a service provider. Celcom will be relentless in optimising its network coverage, capacity and resiliency, by accelerating investments at the most needed areas with the latest radio access network technology.

"We are addressing the data traffic surge as our utmost priority, ensuring customers are always connected. By accelerating our network investments now for crucial areas that needs connectivity, we hope to gain significant improvements in quality and experience. The Covid-19 pandemic and MCO may have some impact to our efforts on the ground, but nonetheless, we strive to overcome these issues.

"All upgrading and optimisation works are planned accordingly to ensure minimal or no impact on our network services. These improvements also focus on delivering better in-building coverage from 4G LTE base station towers, a wider 4G coverage in rural areas, especially in Sabah and Sarawak, and improved download speeds. This will enable the delivery of high definition (HD) 720p video experience for more customers and an improved voice quality with Voice-over-LTE (VoLTE)" Idham said.

"As Malaysians are doing their part by staying safe during the pandemic, more consumers have been utilising digital services to carry out activities for education, entertainment, business, and many more, increasing more than 40% of data traffic in both urban and rural areas nationwide. Celcom has never stopped investing in upgrading its network capacity and coverage. We have been acknowledging the needs of the rakyat, even throughout the MCO, and we know we must continue to bring connectivity to all walks of life, especially in rural areas.

"Celcom is also aligned with the government's *Jalinan Digital Negara* (JENDELA) initiative to achieve nationwide 4G coverage and continues to invest in deploying the latest end-to-end technology such as 4T4R multiple-input and multiple-output (MIMO), Carrier Aggregation, 256 Quadrature Amplitude Modulation (QAM) and many more. To date, Celcom's network remains the nation's widest network with over 11,500 sites nationwide, serving over 13 million users," Idham added.

Growth Momentum Coming Out of MCO In Q320

Celcom continues its pursuit of 'Operational Excellence' through the delivery of a positive growth for the 3rd quarter of FY2020. Coming out of the Movement Control Order (MCO), Celcom recorded a significant increase of 372,000 prepaid and postpaid subscribers, together with growing revenue and profitability.

Celcom's overall growth recorded an improved QoQ profitability with EBITDA improved by RM139mn (+24.2%) and PATAMI by RM94mn (+64.5%) respectively. Prepaid revenue improved

by +13.0% QoQ on the back of higher subscriber base with strong traction from Celcom Xpax's 'Truly Unlimited' plan; ARPU grew +RM2 QoQ. Postpaid revenue QoQ improved by +1.6% with a resilient ARPU of RM84 and an increased subscriber base.

Aggressively keeping the momentum forward

Commenting on Celcom's positive growth, Idham said that Celcom will remain committed to drive multiple initiatives on all levels to sustain the growth forward.

"Our Q3 performance has been the result of our continued efforts and initiatives throughout the quarter, and we will work tirelessly to raise the quality of our 4G network coverage and experience by speeding up our network investments. Part of our strategy remains to continue our focus on 'Operational Excellence' and to innovate our products, services and offerings to achieve sustainable growth. We look forward to maintain our industry leadership position as Malaysia's widest network provider and deliver the best experience and value to our customers," Idham said.

"Furthermore, Celcom will also continue to work closely with the government and the industry players to achieve the aspirations of Jendela, bringing 4G connectivity to every corner of the country. We aim to create a 'win-win-win' situation that will benefit the rakyat, the government and the digital ecosystem," Idham concluded.

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About Celcom Axiata Berhad

Celcom is Malaysia's first and largest private mobile network operator, with over 13 million users on its 2G, 3G and 4G LTE+ networks, covering over 98% of the population. Established in 1988, Celcom is now moving towards integrated multi-access, multimedia services and Internet of Things solutions, in line with evolving technologies and consumer behaviour in Malaysia. A culture that places the customer first is reflected in our award-winning customer service, products, and other corporate accolades at a regional level. Celcom is part of Axiata Group Berhad, one of the region's largest telecommunications groups actively driving digital transformation across a footprint of 11 markets in ASEAN and South Asia. For more information on Celcom, log on to www.celcom.com.my

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