

**TM ANNOUNCES ANOTHER STEADY FULL YEAR PERFORMANCE (FY2021) WITH
EBIT UP 6.6% AT RM1.71 BILLION; REVENUE UP 6.4% AT RM11.53 BILLION;
DECLARES 6 SEN PER SHARE DIVIDEND**

FY2021 Key Highlights (vs FY2020)

- As a result of jump in revenue and continuous cost optimisation initiatives, **Earnings Before Interest and Tax (EBIT)** increased 6.6% to RM1.71 billion from RM1.60 billion in 2020 despite one-off provisions, impairments and accelerated depreciation
- Strong performance across its expanding business segments, with 6.4% increase in **revenue** to clock in at RM11.53 billion as compared to RM10.84 billion in 2020, namely driven by revenue growth in all product lines particularly Internet (+7.8%) and data (+11.1%)
- Landmark year for **unifi** with 10.3% increase in revenue on the back of higher fixed broadband subscribers; 2.78 million registered
- Final **interim dividend** at 6 sen per share declared, with total dividend of 13 sen per share for 2021
- **CAPEX** of RM1.70 billion (14.7% of revenue) to fuel business expansion, new growth areas, and further enhance great customer experience
- ESG targets and initiatives reflect commitment to achieve Net Zero emission by 2050, with Group phased carbon emission reduction targets of 30% by 2024 and 45% by 2030
- Overall FY2021 performance demonstrates that the execution of the 'New TM' Transformation Programme (2021-2023) to ensure mid- to long-term financial growth, bears encouraging results with strong trajectory and operational excellence across all lines of business

Telekom Malaysia Berhad (TM or the Group) delivered yet another healthy set of financial results for the Full Year 2021 ended 31 December 2021 as compared to the same period last year (YoY), despite protracted impact from the ongoing pandemic on the economic and business front.

Fueled by strong growth in unifi revenue and fixed broadband subscribers, as well as sharp growth in the TM Wholesale business which registered increasing data demands from hyperscalers, and international and domestic service providers, TM recorded a 6.4% rise in revenue to clock in at RM11.53 billion from RM10.84 billion in 2020.

This marked revenue improvement as well as the Group's continuous cost optimisation initiatives led to the increase in Earnings Before Interest and Tax (EBIT), up 6.6% YoY to RM1.71 billion, from RM1.60 billion last year. Profit After Tax and Non-Controlling Interests (PATAMI) at RM895.2 million dipped 11.9% contributed by higher taxation including provision for *Cukai Makmur*, lesser interest income and forex losses, as well as impairment of TM's mobile assets as the Group prepares itself for 5G.

Based on its steady financial position and strong Free Cash Flow generation, the Board of Directors proposed the final interim dividend at 6 sen per share, resulting in a total dividend of 13 sen per share for 2021, in line with the Group's growth investment strategy.

CAPEX for the year was reported at RM1.70 billion, or 14.7% of revenue, reflecting TM's commitment to reinvest in business expansion, new growth areas and provide great experience and services for its growing base of customers. Free Cash Flow at RM2.19 billion rose 9.5% from RM2.00 billion, ensuring steady growth ahead of a demanding future.

unifi: Record-breaking revenue, total subscribers

It was a landmark year for unifi, contributing to the Group's strong performance. Overall unifi revenue grew by 10.3% driven by increased fixed broadband subscribers, with 2.78 million cumulative registered subscribers - the highest number of unifi and fixed broadband customers registered, as well as highest number of ports installed.

In addition to unifi's drive to reduce broadband downtime to the absolute minimum for its customers, the business introduced five #unificares initiatives to refine its end-to-end customer experience, with the highlight being unifi's 24-hour service restoration guarantee, the first of its kind in the Malaysian telecommunications industry. In its effort to support SME recovery and growth, unifi has offered more than 377,000 local SMEs special packages with complete digital ecosystem to help them to grow their business and stay competitive.

unifi will continue to maintain its leadership in convergence of broadband, content, mobile and solutions for both home and SMEs customers. With online connectivity playing a central role to enable Digital Malaysia, unifi bridges the connectivity gap by serving customers with innovative and high-quality products and services.

TM Wholesale (TMW): Realising 5G and Malaysia's digital hub aspiration

TM continues to drive wholesale business for both domestic and international segments via TM Wholesale (TMW). With a strong performance last year, TMW's posted revenue grew by 14.7% due to solid partnership expansion with domestic and international customers.

Domestically, as the preferred fibre service provider, TMW will continue to pursue 4G and 5G fibre infrastructure deployment as well as promoting collaboration with domestic service providers, in line with the Government's JENDELA initiative. The 5G fibre leasing services (worth RM2 billion over 10 years) for Digital Nasional Berhad (DNB)'s 5G infrastructure needs, is a testament of TM's commitment to infrastructure sharing in enabling excellent wireless solutions and services. TMW also recorded the highest active ports subscription for wholesale High-Speed Broadband (HSBB) access with more than 550,000 cumulative ports for Malaysian fibre broadband providers.

On the international front, TMW continues with its aspiration to become a digital hub for the ASEAN region through strategic collaborations with hyperscalers and global service providers. The year saw a solid achievement with 190 new deals from hyperscalers and global service providers for various wholesale International Data offerings. This translated into the highest annual revenue contribution from major hyperscalers worldwide, a milestone year in building a regional hub position for Malaysia.

TM ONE: Custom solutions and digital adoption amid a challenging landscape

TM ONE is expected to remain competitive amidst the challenging economic and business environment. This is driven by its strong value proposition of offering the end-to-end managed services and digital solutions, backed by robust digital connectivity and infrastructure.

As the only home-based Cloud Service Provider (CSP) with data sovereignty assurance, TM ONE will continue enhancing its Cloud service as a complete digital solution by embedding analytics, smart services/IoT and cybersecurity to cater for the key industry verticals.

Enterprises and public sector services are on an accelerated path to digitally transform, leveraging on cloud architecture and smart services as a foundational pillar to unlock innovation opportunities, stay resilient and maintain a competitive edge, all in line with Malaysia's MyDIGITAL aspirations.

In becoming a trusted cloud partner, TM ONE focused its efforts in boosting proficiencies and competencies of its solution consultants, technology experts as well as international certifications. It has attained four (4) International Standard certifications (ISO/IEC) for Cloud α (pronounced as Cloud alpha) on Information Security Management System (ISMS), Personal Data Protection Act (PDPA), Business Continuity Management System (BCMS) and Cloud Specific Controls.

Commentary and Outlook from Imri Mokhtar, TM Group Chief Executive Officer

"As the enabler of Digital Malaysia, TM remains steadfast in its efforts to realise the national digital aspirations. We are committed to support the Government's efforts to re-build the economy post-pandemic.

For 2021, TM has shown positive results, driven by the New TM Transformation Programme which has delivered overall growth in TM's revenue and EBIT. Cost rationalisation has also significantly improved the Group's profitability.

As TM enters its second year of transformation in 2022, we are activating more programmes to ensure we quickly move forward as a growth company, and keep pace with our trajectory. TM's revenue growth is expected to remain intact, in line with the Group's market guidance, which is between low to middle single digit growth, while EBIT is projected to be more than RM1.80 billion, driven by TM's three Lines of Business: unifi, TM ONE and TM Wholesale.

We expect to invest between 14% to 18% of our revenue this year on Capex, reflecting our continued commitment to reinvesting into growth areas, capability, and capacity building, as well as enhanced customer experience.

In promoting sustainability, TM aligns its ESG (Environmental, Social, Governance) vision and commitments to national and global aspirations. For Environmental, TM is committed to achieve carbon emission reduction by 30% in 2024, 45% by 2030 and Net-Zero emission by 2050. On Social, TM is set to enable MyDIGITAL Blueprint 2025 targets by ensuring at least 70% of premises have access to high-speed Internet. Under Governance, TM works hand-in-hand with the Malaysian Anti-Corruption Commission (MACC) to continue upholding our zero-tolerance to any form of corruption and maintaining the highest standards of corporate governance.

This year, we will continue to power a digital nation, by delivering great Customer Experience, Solutions and Connectivity Excellence. This is made possible with unwavering support from its core execution engine; the employees or "Warga TM" who are fully dedicated and

committed to enabling a Digital Malaysia, bridging the digital divide and in step, reducing the income divide.”

In its pursuit to strengthen its core connectivity and invest more in digital, TM is future-proofing the organisation with future-ready skills and digital workforce, as part of its aspiration in becoming a human-centred technology company.”

Guidance for 2022 is summarised below:

Revenue Growth	Low to middle single digit growth
EBIT	More than RM 1.8 billion
CAPEX / Revenue	Between 14% - 18%

#End#