

**PRESS RELEASE****Axiata and Sinar Mas Announce Proposed Appointment of Board of Directors for XLSmart**

**Jakarta, 10 January 2025** – Axiata Group Berhad ("Axiata") and Sinar Mas today announced the proposed appointment of the Board of Directors for PT XLSmart Telecom Sejahtera Tbk ("XLSmart"), marking a significant milestone in the proposed landmark merger of PT XL Axiata Tbk ("XL Axiata"), PT Smartfren Telecom Tbk ("Smartfren"), and PT Smart Telecom ("SmartTel").

The appointment of the Board is a critical step for XLSmart in its journey of growth, collaboration and innovation, to become a world-class leader in the telecommunications space and help accelerate Indonesia's digital economy. The proposed board appointments remain subject to regulatory and shareholder approvals.

Rajeev Sethi has been proposed as CEO Designate. Rajeev joins from Axiata, and brings with him a wealth of experience and deep understanding of the telecommunications space. Upon the receiving the necessary approvals, Rajeev will lead the appointed leadership team on Legal Day 1 to achieve operational continuity, align organisational goals, and capitalise on synergies to create a stronger and more innovative company.

The proposed Board of Directors comprises:

<b>Designation</b>	<b>Name</b>
President Director & Chief Executive Officer	Rajeev Sethi
Director & Chief Financial Officer	Antony Susilo
Director & Chief Technology Officer	Shurish Subbramaniam
Director & Chief Commercial Officer	David Arcelus Oses
Director & Chief Regulatory Officer	Merza Fachys
Director & Chief Information Officer	Yessie D. Yosetya
Director & Chief Enterprise and Strategic Relationships	Andrijanto Muljono
Director & Chief Strategy and Home	Feiruz Ikhwan
Director & Chief Human Resources Officer	Jeremiah Ratadhi

This team brings together a wealth of experience across various functional areas and diverse industries, including telecommunications, with a proven track record of success in strategic leadership and corporate governance.

**Vivek Sood, Group Chief Executive Officer of Axiata Group, commented:** "We are excited to announce the proposed Board of Directors for XLSmart ( subject to regulatory and shareholder approvals), marking

*a key moment in our next steps in formation of a world class merged telecommunication company. The new Board is mostly from existing companies with right and relevant experience. With these appointments, we are confident that XLSmart is poised to lead the way in offering enhanced customer experiences, innovative solutions, and cutting-edge technology to our growing base of users. Our employees are vital to XLSmart's success, and we will do our utmost to retain the right talent we have, including rolling our new compensation policies and attractive incentive programmes. Both Axiata Group and Sinar Mas are fully committed to supporting XLSmart's growth trajectory, providing resources and ensuring that employees across the organization are aligned with the company's vision and values."*

**Franky Oesman Widjaja, Chairman of Sinar Mas Telecommunications and Technology, commented:**

"This integration marks the beginning of a new chapter for us. Together, we are creating an organization that is more dynamic and resilient, with the scale and resources to push the boundaries of digital telecommunications. The newly appointed Board brings immense experience and vision, which will be vital in navigating this transition and ensuring that XLSmart thrives in the competitive telecommunications space both locally and regionally. The Board will focus on aligning goals, ensuring operational continuity, and delivering on promises made to clients and other key stakeholders."

Additionally, I Gede Darmayusa has also been proposed to take on the role as Acting Chief Integration & Network Integration. He will be leading the "Integration Team" in developing a clear integration and transition plan that best leverages the combined synergies of XL Axiata and Smartfren.

Axiata and Sinar Mas announced the proposed merger of XL Axiata and Smartfren in December 2024 to form XLSmart, which will have a combined pre-synergy enterprise value of over IDR 104 trillion (~US\$6.5 billion) and will deliver enhanced connectivity to individual, corporate, and public sector customers. Additionally, the merger is set to realize significant cost synergies, with an estimated annual run-rate pre-tax synergies of US\$300 to \$400 million post integration completion, through strategic network integration and resource optimization.

With a combined mobile subscriber base of approximately 94.5 million<sup>1</sup> and a market share of 27%<sup>1</sup>, XLSmart will generate pro forma revenues of IDR 45.4 trillion<sup>1</sup> (US\$2.8 billion) and EBITDA of over IDR 22.4 trillion<sup>2</sup> (US\$1.4 billion). At completion, shareholding equalisation will result in Axiata receiving up to US\$475 million. At transaction closing, Axiata will receive US\$400 million, along with an additional US\$75 million at the end of the first year subject to the satisfaction of certain conditions.

The merger supports Indonesia's vision for a digitally inclusive future by accelerating the rollout of 5G, AI, cloud-based solutions, cyber resilience, improved network quality, and fostering sustainable competition.

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<sup>1</sup> All financials as of LTM September 2024; Assumed FX (USD/IDR) of 16,000; Financial presented are pre-synergies.

<sup>2</sup> EBITDA values denote revenue less operating expenses plus depreciation/ amortization.

The merger remains subject to regulatory and shareholder approvals, as well as customary closing conditions. Assuming all approvals and conditions are met, completion is expected in the first half of 2025.

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**About XL Axiata**

PT XL Axiata Tbk (XL Axiata) is one of the leading telecommunications companies in Indonesia. XL Axiata focuses on providing converged services to facilitate everyday life and drive Indonesia's digital economy development. Operating commercially since October 8, 1996, XL Axiata currently offers a wide range of services for retail and corporate customers, supported by an extensive and high-quality network across Indonesia. Since 2015, XL Axiata has implemented a nationwide quality 4G LTE network, followed by the development of its 5G network in the third quarter of 2021. XL Axiata is part of the Axiata Group, along with CelcomDigi (Malaysia), Dialog (Sri Lanka), Robi (Bangladesh), Smart (Cambodia), Boost, ADA, edotco, and Link Net (Indonesia).

**About Smartfren**

PT Smartfren Telecom Tbk ("Smartfren" / IDX: FREN) and its subsidiary, PT Smart Telecom, is the only cellular telecommunication service provider in Indonesia operating on a full 4G network as part of the Sinar Mas business. With national network coverage and around 46,000 4G BTSs spread across 288 cities throughout Indonesia, Smartfren has been appointed as the official telco partner by leading global smartphone brands. It is also a pioneer in various product innovations, such as Voice-over-LTE (VoLTE) and Digital SIM (eSIM) services in Indonesia.

Smartfren delivers a flexible data service experience by offering a range of starter cards and data packages tailored to various user segments, including Smartfren Kuota M and Kuota L, Daily Unlimited, and Unlimited Nonstop plans. The company is committed to providing consumers with the best internet



**smartfren**

communication experience at an affordable price, alongside business solutions, digital services, and other innovations that contribute to the advancement of a better Indonesia.