

# BEYOND SHORT-TERM PROFITS

## CREATING LONG-TERM VALUE THROUGH OUR INVESTMENTS

Contribution to Gross Value Added  
**367 million USD**  
 (1.3% of the nation's GDP)

Capital and operational expenditure  
**255 million USD**

Capital investment of  
**70 million USD**

Smart Axiata Digital Innovation Fund (SADIF) continues to drive the growth of the nation's digital ecosystem

Contribution to public finances of  
**121 million USD**

Over the years, our investments have helped to not only improve telecommunications infrastructure in the Kingdom but also boost the local economy via tax payments, the creation of job opportunities and the elevation of the digital ecosystem.



### LOCAL ECONOMY

- ▶ Contribution to Gross Value Added **367 million USD** (1.3% of the Nation's GDP)
- ▶ Capital and operational expenditure of **255 million USD**
- ▶ Contribution to **public finances** of **121 million USD**, which accounts for **3.5%** of the Kingdom's total tax revenue, excluding regulatory fees, levies and payments
- ▶ **2%** of total annual service revenue contributed to **Universal Service Obligation Fund** to bridge the digital divide
- ▶ **1%** of total annual service revenue is contributed to the **Capacity Building Research and Development Fund** to develop ICT resources
- ▶ **Smart Axiata Digital Innovation Fund (SADIF)** is a **5 million USD** venture capital fund to invest in Cambodia-based digital startups that are driving the growth of the nation's digital ecosystem. Launched in March 2017, SADIF was the **first tech venture capital fund in the Kingdom**



### INVESTMENT IN INFRASTRUCTURE

#### Network Coverage

**Network Coverage**  
 (number of base stations)



**Network Coverage**  
 (by population)



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## INVESTMENT IN INFRASTRUCTURE (CONTINUED)

### Enhancing Connectivity and Extending Coverage

The shutdown of 3G sites enables a better 4G experience, with significant improvements in the quality of connectivity. This transition optimizes spectrum resource utilization, resulting in faster and more reliable connections. With increased adoption of advanced mobile technologies, users can efficiently access digital services and engage in a wider range of online activities. Notably, more than **99% of the data traffic was generated by users on the 4G network** and **80% of our customers are equipped with 4G-compatible devices**. This ensures extensive coverage and enables a seamless digital experience for the majority of our users.



Smart is the first operator to have launch sites along main priority areas along the Phnom Penh-Sihanoukville Expressway, including rest areas and toll stations, to ensure digital service for travelers.

Additionally, **54 new base stations** have been set up outside of the capital to broaden coverage and improve network quality. Our new base stations are in Pursat, Banteay Meanchey, Kampong Speu, Siem Reap, Oddar

Meanchey, Battambang, Kampong Thom, Kandal, Takeo and Kampot.

In 2022, borey projects were a key focus, with **57 base stations** brought on air across the country.

We are continuing to work on our existing sites, too, to **increase capacity and upgrade services**. Overall, **more than 2,000 stations nationwide** have been optimized.

### Network Quality

Initiatives taken to **improve network quality and reliability**:

- Cloudified key network elements
- Implemented redundant nodes and connections with periodical redundancy tests
- Localized popular traffic (for games, videos and downloads) to reduce latency for better user experience
- Deployed a containerized environment for workloads to ease management and reduce start and recovery times

In addition to this, we ensured timely capacity upgrades and expansions, carried out system enhancements and enforced stringent change request procedures.



To address business continuity risks associated with technological disruptions, we:

- Improved our power and cooling redundancy in Smart data centers
- Deployed more independent international private leased circuits to further diversify Internet connectivity
- Deployed points of presence in major hubs in Southeast Asia (Hong Kong and Kuala Lumpur)

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## DIGITAL INCLUSION

### Empowering Businesses

We empower businesses by offering small and micro-businesses accessible, efficient and cost-effective digital services and solutions that streamline their daily operations. To equip our customers in strengthening their businesses, we offer industry-specific digital inclusion products and services such as:

#### Smart Sponsored Call



- ▶ Customers can call the subscribing company for free, enabling businesses to offer more accessible customer care services
- ▶ More than 300 enterprises are currently utilizing this service

#### Smart Fleet Management



- ▶ Smart has partnered with global mobility player Cartrack to offer an innovative fleet management solution (branded as "Smart Fleet Management") to enterprise customers. This first-in-market service meets all the needs of businesses that require in-depth fleet analytics to drive down costs and increase vehicle efficiency

#### Cloud PBX



- ▶ Our advanced Cloud PBX is a revolutionary phone system that guarantees seamless and reliable communication. It embraces a scalable, cost-effective, and dependable cloud-based solution that ensures your business communications remain uninterrupted, both internally and externally

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## DIGITAL INCLUSION (CONTINUED)

### Ensuring Affordability

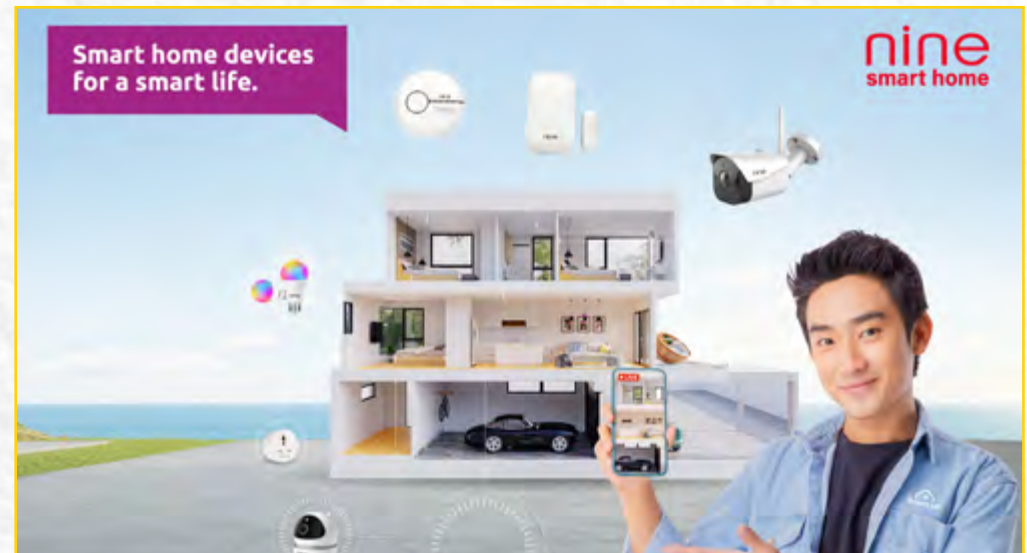


We continued to provide affordable smartphones priced below 100 USD to broaden access to digital services and the Internet.

- **Smart Hero II** is sold at 139 USD, while Smart Nano II is priced at 45 USD. These phones accounted for more than 50% of smartphone sales in Smart Shops in 2022.
- Continued partnering with third-party institutions to offer financing for device installment purchases from Smart Shops at lowest possible interest rate

### Improving Our Customers' Digital Lifestyle

#### Smart IoT



- Smart IoT creates a user-friendly platform that seamlessly integrates building management systems, IT infrastructure and security systems. This innovation allows remote control of lighting, air conditioning, security systems, smart locks and IoT automation for homes and offices. Users can easily manage these controls from their smartphones via the Smart Life app. This initiative is specifically targeted at consumers within the hotel, restaurant and catering segments, as well as small offices, real estate, property firms and residential customers.

For more information, visit: <https://www.smart.com.kh/get-smart/plans/smart-iot/>

# IMPACT STORY

## Digital Innovation

Smart Axiata Digital Innovation Fund (SADIF) is a 5 million USD venture capital fund that invests in Cambodia-based digital startups that are driving the growth of the nation's digital ecosystem. Launched in March 2017, SADIF was the first tech venture capital fund in the Kingdom. The fund focuses on Fintech, Advertising and Media, Logistics and Delivery, Edtech and Health Tech. SADIF follows a strategic approach, initially making small investments and subsequently injecting larger capital as businesses show promise. Furthermore, we extend comprehensive support, leveraging our network and LPs and often engaging in co-investments alongside other venture capitalists to maximize the impact on Cambodia's digital ecosystem.

### Portfolio Companies



In 2022, our beneficiaries and their achievements were:



- ▶ An **Internet of Things (IoT) tech for off-grid solar** that provides **end-to-end services, connecting energy companies and utilities providers** with end customers
- ▶ **Energized 7,500 people, 1,513 households and 62 villages in Cambodia**, the Philippines, Nigeria and Haiti
- ▶ Contributed to:



- ▶ Cambodia's **super e-commerce app** for delivery of food, groceries, packages and quick commerce
- ▶ Generated income through employment for **more than 2,500 motor driver partners** (186 females) and **over 5,000 taxi/tuk tuk partners** (9 females)
- ▶ Facilitated delivery and online ordering of more than 23,000 merchants
- ▶ Expanded coverage to **more than 19 cities and provinces**



- ▶ A Cambodian **cloud-based core banking system** for microfinance institutions, banks and other financial institutions
- ▶ **41 enterprise customers** in Cambodia and Myanmar
- ▶ Facilitated and managed **approximately 300 million USD loans and 250,000 borrowers** on the platform



- ▶ A **school management system and digital school enrollment platform** in Cambodia that aims to ease management of schools and students at an efficient cost
- ▶ Sala's enrollment platform aims to **empower high school students** to make **better college and career choices**
- ▶ More than **25 schools utilized** Sala platform
- ▶ More than **22,700 students facilitated and managed their learning** through the Sala School and Learning Management System
- ▶ More than **9,000 students utilized** the Sala enrollment platform
- ▶ Signed MoU with the Ministry of Education, Youth and Sport to **modernize school management system, promote higher education and technical training enrollment and increase awareness of career choices**