



# Business and Performance



# VISION

TO BECOME THE MOST-ADMIRED “COGNITIVE TECH-CO” IN THAILAND



## ON CONCEPT OF

The Ecosystem Economy through the following three components:

- Digital Intelligence Infrastructure
- Cross Industries Collaboration
- Human Capital & Sustainability



# Business Overview

With a record of over 33 years of providing telecommunication infrastructure to Thai society, started in 1990 under collaborative contract or concessionaires, AIS was granted the right to utilize state frequencies under the 25-year Built-Transfer-Operate (BTO) agreement. In 2010, the National Broadcasting and Telecommunications Commission (NBTC) was established as the government agency regulating broadcasting and telecommunication, and tasked to grant the spectrum licenses. The licensing scheme was a major turning point for the telecommunications industry in Thailand that helps support fair competition and developments of new technologies.

AIS is committed to its vision of “**To become the most admired COGNITIVE TECH-CO in Thailand**” The vision stood on the concept of the ecosystem economy through the following three components:

- **Digital Intelligence Infrastructure:** By creating solid digital infrastructure comprising of 5G network, broadband internet, and 5G platforms for various industries.
- **Cross Industries Collaboration:** By promoting connectivity and collaboration with all businesses partners to deliver a diverse range of solutions suiting the customers' needs.
- **Human Capital & Sustainability:** By committing to enhance the digital capability of the Thais through educational platforms to implant necessary digital skills and cyber immunity, which creates a sustainable digital ecosystem in the Thai society.







## As a Cognitive Tech-Co, AIS pledges to deliver best-in-class digital experience through its four core services;



 **Mobile Communication Service**

under "AIS" brand provides a monthly subscription service, top-up service as well as roaming with network partners in over 240 destinations worldwide with 4G and 5G technology for individuals, SMEs, and Corporates.




 **Fixed Broadband Service**


provides high-speed internet service to households and businesses under the "AIS Fibre3" and "3BB Fibre3" brands.



 **Enterprise Business Service**

provides digital solutions to the business sector under the "AIS Business" brand, encompassing connectivity services such as EDS and technological solutions such as cloud, data center, and ICT solutions to all sizes of enterprise customers



 **Digital Service**

involves new services focusing on building values leveraging on AIS telecommunication services to serve as a new revenue source in the medium to long term in line with the changing digital consumer behavior.

In 2023, AIS's total assets were valued at Baht 454,439 million with a market capitalization of Baht 645,404 million, ranked 4<sup>th</sup> on the Stock Exchange of Thailand.





## Maintaining the Strengths in the Mobile Services

AIS provides quality mobile telecommunication services on 4G and 5G networks under the telecommunications spectrum licenses granted by the NBTC, and through a partnership agreement with National Telecom Public Company Limited (NT). At present, AIS holds a total of 1,460 MHz spectrum bandwidth, comprising low-bandwidth (Frequency 700MHz and 900MHz), mid-bandwidth (1800MHz, 2100MHz, and 2600MHz), and high-bandwidth (26 GHz) catering to all connectivity requirements from both consumers and industry. Currently AIS' 4G network covers 98% of Thailand's population across 77 provinces nationwide. AIS' 5G network has continued to expand since 2020, and presently reaches nearly 90% of population coverage, including more than 99% of those in Bangkok and the Eastern Economic Corridor (EEC), in accordance with the 2600 MHz license conditions stipulated by the NBTC.

As of the end of 2023, AIS retained its position as the leading mobile operator in Thailand with a revenue market share of 49%, a total subscriber of 44.6 million nationwide, and a 5G customer base of 9.2 million. The mobile communication service revenue accounted for 85% of core service revenue.

### Revenue Market Share in

2023



### Subscriber Market Share in

2023



### Broadband Subscriber Market Share in

2023



"Other broadband home internet providers include TRUE, and NT"

## A market Leader in Fixed Broadband industry after 3BB acquisition

In 2015, AIS started its fixed broadband business under the "AIS Fibre" brand, leveraging on the fiber optic network used in mobile communication services. The move allowed AIS to scale up the service coverage rapidly and fully on fiber optic technology. With the outstanding service quality especially on a swift problem-solving capability, and the convergence strategy combining with mobile and content services, AIS Fibre's has exhibited a solid growth in both subscribers and revenues for the past eight years.

In 2023, AWN, a subsidiary of AIS\*, acquired Triple T Broadband Public Company Limited, the provider of fixed broadband internet under "3BB" brand with 2.3 million users and owner of the nationwide fiber optic network for home internet especially in the remote areas. The acquisition strengthens AIS rapid expansion of the broadband business with the combined network access to over 13.3 million households. The deal resulted in AIS' fixed broadband business revenue contributing to 9.8% of its core service revenue (46 days of revenue from Triple T Broadband was recognized), and now has a 46% subscriber market share with a total 4.7 million users.

\*AIS holds a 99% stake.

## Generating New Sources of Revenue from the Enterprise Business

AIS has provided services to enterprise clients under the "AIS Business" brand, building on the provision of mobile communication service and internet broadband service for corporates. After the takeover of CS Loxinfo Public Company Limited in 2018, AIS has expanded the scope of its service to technologies and digital solutions including cloud, data center, and ICT solutions. The scope also extends to communication connectivity services such as network management service, communication platform, 5G for business, and specific digital solutions for business to enable enterprise customers from large companies to SMEs to adopt technology in into their organizations to uplift the digital capabilities, increase competitiveness, and achieve sustainable business operations. The effort also serves as providing a new revenue stream for AIS.

In 2023, the revenue from the Enterprise Business (excluding mobile communication) accounted for 4.2% of the core service revenue. AIS



focuses its services to targeted industries alongside its efforts in enhancing employees' expertise and knowledge to serve the customers' specific needs. At present, the focused industries comprise manufacturing, property, transportation and logistics, and retail.

## Building on Core Businesses with Digital Services

AIS adopts Ecosystem Economy principle by building collaborations with commercial partners for mutual growth to offer digital services which involve a diverse range of digital technology incorporated services encompassing networks, service platforms, and digital solutions to create digital experience for all groups of customers. The digital service focuses on three areas: video platform, mobile money transaction service, and other platforms such as insurance broker, gaming platform, and digital advertisements. The digital service is expected to play a key role in strengthening relationships between AIS and its customers and generating a new revenue source for AIS in the future apart from revenue from data connection and mobile internet fees. It also enables AIS to become an integrated service provider by converging its four core services together.

## Operating Under Licenses Regulated by the NBTC

Most AIS' businesses, particularly the mobile communication and fixed broadband businesses, operate under the regulation of the National

Broadcast and Telecom Commission (NBTC), which is the regulatory authority formed in accordance with the Frequency Allocation Act 2010. AIS, through subsidiaries, was granted a telecommunications business licenses, including 26 GHz, 2600, 2100, 1800, 900, and 700 MHz spectrum licenses with an average license life of 15 years. At the end of the spectrum license, NBTC will redistribute a spectrum license through an auction.

AIS is obligated to pay the license fees, Universal Service Obligation (USO) fees, and numbering fees to the NBTC amounting to around 4% of core service revenue per year.

## Driving Business in Accordance with Sustainability Concept

As a digital technology service provider that operates and has played a vital role in driving Thai economy and providing opportunities for Thais through access to information connectivity, AIS has realized the importance of sustainable business operations which can bring a robust long-term growth withstanding the fast-changing global context. With this, AIS takes on leading the Thai society towards mutual growth with sustainability principle in the era of digital economy. To achieve the long-term sustainable business operations, AIS has established a sustainable development framework comprising three aspects: drive digital economy, promote digital inclusion, and act on climate with concern for all stakeholders to create economic, social, and environmental values as well as to support developments in every sector, enabling them to grow together sustainably.

More details can be found on the sustainability section page 61

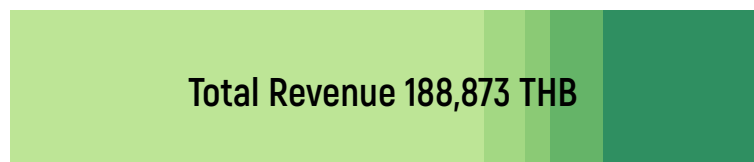


# Nature of Business

## Revenue Structure by Service Type

The revenue structure of AIS and its affiliates over the past three years is as follows.

	2021		2022		2023	
	Million Bt	%	Million Bt	%	Million Bt	%
<b>Service revenue</b>	144,791	79.8	146,009	78.7	151,921	80.4
1. Mobile communication business revenue	117,244	64.7	116,696	62.9	118,130	62.5
2. Fixed broadband business revenue	8,436	4.7	10,064	5.4	13,621	7.2
3. Other services revenue	5,291	2.9	6,274	3.4	6,819	3.6
4. Interconnection (IC) and equipment rental revenue	13,820	7.6	12,976	7.0	13,352	7.1
<b>SIM and device sales revenue</b>	36,542	20.2	39,476	21.3	36,952	19.6
<b>Total revenue</b>	181,333	100.0	185,485	100.0	188,873	100.0



Mobile communication business revenue  
Fixed broadband business revenue  
Other services revenue

Interconnection (IC) and equipment rental revenue  
SIM and device sales revenue





## Type of Products and Services

AIS's core products and services can be divided into four areas as follows.

### Mobile

- Prepaid and postpaid mobile communication services on 4G and 5G networks
- Mobile phone and IT-related accessories sales
- International roaming and international calls



### Fixed Broadband

- Fixed broadband services through fiber optic technology for household and SME customers under the 'AIS 3BB Fibre3' – a phenomenal convergence between 'AIS Fibre' and '3BB'



### Enterprise services

- Business network and connectivity services
- Corporate cloud and data centers
- Internet of Things (IoT)
- ICT solutions
- AIS 5G services for business
- Services for SMEs



### Digital Services

- Entertainment platforms and Video contents
- Mobile financial and insurance services
- Digital marketing services



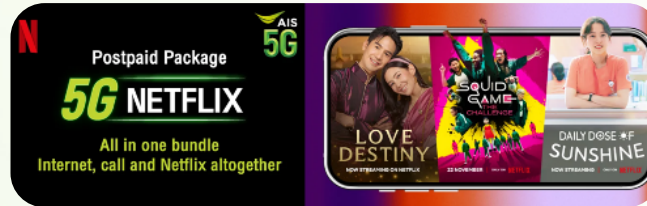


## Mobile Communication Service

AIS provides both voice call and mobile communication services through the following core service.

### Postpaid

AIS provides postpaid mobile communication services through a variety of packages designed to meet diverse customer needs. Examples include the 5G Max Experience package providing premium data services on the 5G network, the 5G Netflix package combines mobile communication and Netflix streaming services, and the AIS 5G Seller package effectively assists online merchants through store management services. Customers can choose from these packages to align with their preferences and conveniently settle the monthly service expenses. At present, AIS has a total postpaid customer base of around 13 million subscribers.



### Prepaid

AIS offers a wide variety of prepaid mobile communication services under the brand AIS One-2-Calli. Customers can conveniently top up credit and select one-time or automatically renewing packages tailored to their needs, avoiding the commitment of a monthly fee. For instance, the Super Social Sim package allows unlimited access to social media applications, while the One Sim package integrates 5G service with voice call. Several supplementary packages are also available which customers can purchase to enjoy additional privileges, such as daily, weekly, and monthly internet, as well as VDO streaming contents. Currently, AIS has around 32 million prepaid mobile communication subscribers in total.



### International Roaming and International Calls

AIS provides both international call and international roaming services with each covering more than 240 countries worldwide and 90 countries for 5G roaming service, respectively, such as the Ready2Fly package for postpaid mobile communication subscribers, the Sim2Fly package for prepaid mobile communication subscribers, the Thailand Tourist Sim for foreign tourists traveling in Thailand, and the international direct dialing (IDD) package.



Furthermore, AIS offers comprehensive online postpaid mobile communication services under the GOMO by AIS brand, targeting the younger generation market segment that prefers online channels for service. More information on GOMO is available at <https://gomo.th>.





## Fixed Broadband Service

AIS Fibre offers an array of packages serving all customer needs from household to business use, including the following:

- AIS Fibre Broadband 24 – a fixed broadband internet service equipped with the variable speed configuration function allowing the highest possible data transfer rate of 1 Gbps.



- AIS Fibre Entertainment – a package providing maximum entertainment by combining fixed broadband internet and AIS Playbox services streaming content according to the packages chosen by customers.



- AIS Fibre Power 4 – A convergence package combining extensive fixed broadband internet, mobile communication, and video services, elevating digital offerings to a new level.



Apart from the original broadband and convergence services, AIS differentiates itself by offering unrivaled experiences through constant technological innovation to add value to its products and services, including the following:

- HOME FibreLAN – a fiber-optic service connecting all home areas with fiber optic cables, ensuring faster and more stable data transfer at speeds reaching up to the maximum of Gigabit level.



- Smart-AI Gaming – A package that improves fixed broadband internet signals by incorporating an AI-controlled router with a built-in processing system. This system automatically adjusts the signal speed and latency according to usage requirements..



With prospect of fixed broadband market growth from a low household penetration rate, AIS in 2023 acquired Triple T Broadband Public Company Limited, a provider of fixed broadband internet services under the '3BB' brand with a customer base of over 2.3 million subscribers. This acquisition positions AIS for exponential growth in its fixed broadband internet business. By the end of the year, AIS had amassed over 4.7 million fixed broadband subscribers, securing a leading position in the industry. The 'AIS 3BB Fibre3' signifies the three benefits customers can expect: enhanced connectivity, increased opportunities, and greater happiness.



# 4.7 Million

AIS 3BB Fibre3 broadband subscribers





## Enterprise Services

AIS is dedicated to empowering corporate customers, including large enterprises and SMEs, by enabling them to harness technology and digital processes for a competitive edge and sustainable business operations. The comprehensive range of services includes building digital infrastructure, providing digital platforms, and developing tailored industrial solutions.



AIS's core products and services in the enterprise business segment are as follows.

### Business network and connectivity services

AIS provides total network technology and business connection services encompassing high-quality corporate internet, private data circuit, and enterprise broadband internet, together with 24/7 after-sales services delivered by teams of engineers and technical specialists.

Moreover, AIS enhances its foundational network and connectivity services with cutting-edge technology solutions to boost operational efficiency. These include SD-WAN, a centralized network management system, network security solutions for cybersecurity, and cloud connectivity solutions through global partnerships with Microsoft Azure, Amazon Web Services, and Google.

For more information: <https://www.ais.th/business/enterprise/technology-and-solution/business-network>

### Corporate cloud and data centers

AIS provides technology services for development and management of business data storage through network and cloud connections for global cloud platforms like Microsoft Azure, Amazon Web Services, Huawei Cloud, and local cloud platforms such as AIS CloudX. AIS also provides tailored resource rental services and storage services for network devices and accessories through its 11 data centers in various provinces nationwide with a total storage capacity of up to 4,500 racks. These offerings conform to global standards in cybersecurity, governance, and environmental management, guaranteeing 24/7 support from dedicated teams of engineers and technical specialists.

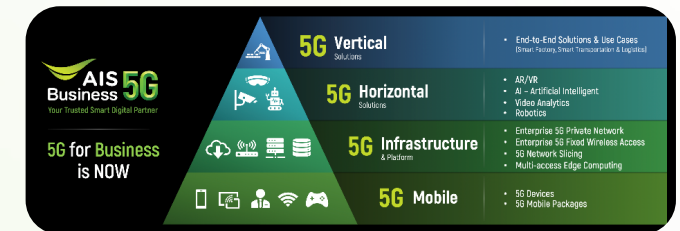


In 2022, AIS established an affiliate under the company name 'AIS DC Venture Company Limited' to co-develop data center business in Thailand with Gulf Energy Development Public Company Limited and Singapore Telecommunications Limited. This initiative is driven by the escalating demand for digital infrastructure in the country and the increasing storage requirements of global and local businesses dealing with substantial data volumes. The collaborative objective is to construct energy-efficient, state-of-the-art greenfield data centers featuring advanced security technology, with the aim of completion within 2024.

For more information: <https://www.ais.th/business/enterprise/technology-and-solution/cloud-and-data-center>

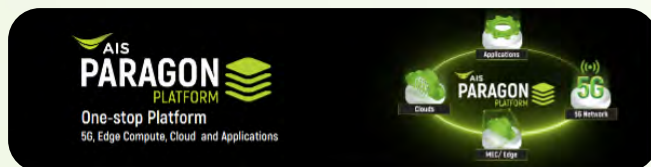
### 5G services for business and Internet of Things (IoT)

AIS delivers comprehensive 5G services to corporate clients, covering hardware, connectivity, platforms, and solutions tailored to support the digital transformative potential of 5G technology in industries. In aiding businesses through this digital era, AIS provides a diverse range of services, including 5G mobile broadband, infrastructure and platform development, wireless broadband 5G FWA, network slicing, MEC, and private networks for business application development. Additionally, AIS offers 5G horizontal solutions involving AI, AR/VR, robotics, and VDO analytics, as well as 5G vertical solutions specifically designed for manufacturing, transportation and logistics, property, and retail sectors.



For more information: <https://www.ais.th/business/enterprise/technology-and-solution/5G-and-iot>

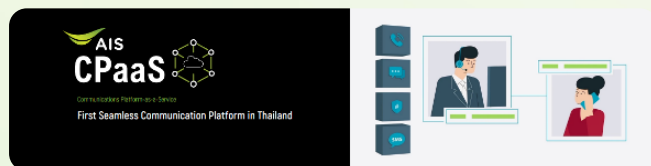
AIS promotes flexible business solutions through the AIS Paragon Platform, an all-in-one 5G technology platform managing resources like 5G network, Edge computing, and Cloud. This facilitates easy adaptation to budget constraints and usage patterns, fostering innovative 5G solutions and digital business process enhancement.



For more information: <https://www.ais.th/en/business/enterprise/technology-and-solution/5G-and-iot/platform/ais-paragon-platform>

### Communication solutions

AIS renders comprehensive ICT solutions to corporate customers to enhance their market penetration with their own customers. These solutions encompass; 1) messaging services, including targeted and bulk messaging for both text and multimedia content, 2) multimodal business communication services such as integrating Microsoft Teams and Operator Connect to enhance intra-organizational communication, non-mobile and mobile device connection services such as Mobile PBX, and other services like chatbot, voice message transmission, or call center systems, 3) Communication Platform as a Service (CPaaS) which is a comprehensive communication platform service facilitating communication across all channels from text and voice messaging to video calls via specially developed application.



For more information: <https://www.ais.th/business/enterprise/technology-and-solution/communication/cpaas>

### Services for SMEs

AIS champions and supports small and medium enterprises (SMEs) through its 'AIS SME 7s' services, encompassing: 1) SME Postpaid, providing comprehensive communication solutions nationally and internationally. 2) SME Add-on, offering supplementary services tailored to corporate customer needs. 3) SME Office Internet, delivering broadband internet and specialized maintenance services for SMEs. 4) SME Digital and Marketing Communication, a tool for diversifying marketing strategies to reach a broader digital consumer base. 5) SME Solutions, providing IT and digital services to address diverse business requirements. 6) SME Privileges, offering added business value through programs like AIS Points, AIS Privileges, and AIS Serenade. 7) SME Business Partnerships, creating opportunities for SMEs to become AIS trade partners and grow together.



For more information: <https://www.ais.th/business/sme>

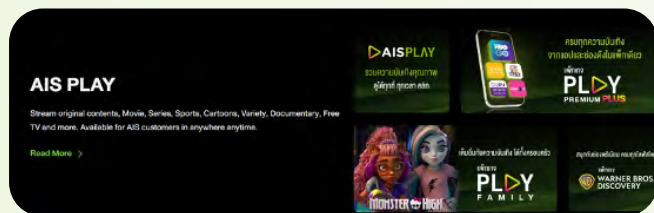


## Digital Services

AIS has expanded its portfolio of digital services to adapt to evolving consumer behavior, fortify its core operations, and explore new revenue streams. This expansion involves robust digital development through strategic collaborations with experienced allies and trade partners, fostering mutual and sustainable growth. AIS core digital service businesses can be categorized into three areas as follows:

### Entertainment platforms and Video contents

AIS provides a diverse range of entertainment services, offering customers a variety of content options to fulfill their preferences. These include TV, video, movies, dramas, sports, karaoke, and e-sports, accessible through AIS Play on mobile and tablet devices. Additionally, AIS Playbox is available to home internet subscribers of AIS Fibre and 3BB.



Moreover, AIS offers an extensive over-the-top (OTT) service featuring a diverse range of content, including locally and globally produced movies and series. This is made possible through collaborations with major global partners like Disney+ Hotstar, Monomax, Netflix, and HBO Go, Asian partners such as Viu, iQIYI, and WeTV, and local partners including 3Plus Premium. Additionally, AIS streams both live and video-on-demand (VOD) content, covering news programs and documentaries from Warner Bros. Discovery, HBO, and BBC World News, top sports programs from beIN Sports and 3BB Sports, and various entertainment programs from free TV, digital, or satellite channels.

For more information: <https://www.ais.th/consumers/entertainment>

### Gaming platforms

AIS provides various gaming and entertainment services, including the Game On platform, a channel for gamers to recharge and acquire game cash card, and e-sports application. Additionally, AIS offers AIS 5G Cloud Game, a mobile center that features popular PC and console games, providing unlimited access through weekly and monthly membership programs.



### Mobile financial services and Insurance

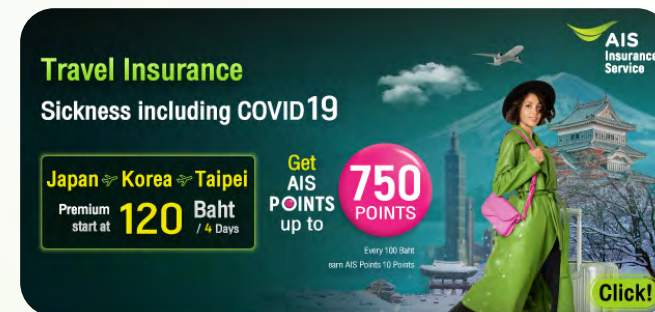
AIS offers mobile financial services, specifically mobile money, to corporate clients through its affiliate, Advanced mPay Company Limited. The focus is on creating a comprehensive mobile payment platform that integrates multiple payment channels, allowing corporate customers the convenience of electronic wallet-based bill settlement without the need for system investment or acquiring an operating license.

For more information: <https://www.ais.th/consumers/lifestyle/apps-and-services/mpay-wallet>.

### Insurance

AIS has expanded into the insurance brokerage business through 'AIS Insurance Service,' operated by Advanced Digital Distribution Company Limited. This service not only ensures enhanced convenience, safety, and simplicity during the purchase process but also offers a diverse range of

insurance services, including domestic and international travel insurance, accident insurance, health insurance, car insurance, and life and health insurance. Additionally, AIS Insurance Service provides the flexibility of mobile insurance purchase and accepts premium payments through top-ups, monthly installments, credit/debit cards, and e-wallets. The pricing of insurance plans is thoughtfully set to accommodate the varying purchasing power of different consumer groups, facilitating broader access to insurance products.



### Digital Marketing

In collaboration with AD Venture Public Company Limited and Teleinfo Media Public Company Limited (a subsidiary of AIS's CS Loxinfo), AIS offers digital marketing solutions to corporate clients, facilitating their expansion into digital consumer markets. These solutions include the location-based SMS platform, enabling targeted ads in specific areas, and the Thailand Ads Network (THAN), a compilation of ad spaces from the country's top 100 websites. AIS's digital marketing services encompass a wide range of options, from digital content creation, website and mobile application development, social media management, to digital advertising media management, providing comprehensive turnkey marketing campaign solutions.





## Distribution and Sale Channels

AIS distribution channels are categorized into 5 main types as follows:



### Shop & Service Center

**AIS Shop** The service centers operated by AIS under "AIS Shop", and selected high-potential distributors such as Copperwired group and SPVI group, operated under the name "AIS Shop By Partner", in a combined total of 212 locations. AIS Shop provides the most comprehensive range of products, services, and after-sales support among all distribution channels. It extends its services from mobile to home broadband and encompassing the sales of lifestyle products. Strategically positioned in densely populated urban areas, AIS Shop prioritizes maintaining the superior brand image of AIS products and services.

**3BB Shops** The shops are new additions following the successful acquisition of Triple T Broadband Public Company Limited. 3BB Shops provide a comprehensive range of 3BB home broadband services, including subscribing to services, offering promotions, paying service bills, filing complaints, and scheduling appointments for after-sale services. The shops also coordinate the provision of services through a team of experienced broadband technicians which covers every area in Thailand, especially in the provincial areas. Today, in addition to selling AIS SIM cards, 3BB shops plan to provide additional mobile and broadband services for AIS customers.

### Distributors

AIS cooperates with a variety of distributors to meet the needs of a wide range of customers throughout the country. "AIS Telewiz" is a high competency distributor with over 361 locations in city areas and serves under the AIS brand. "AIS Buddy" accesses district and sub-district areas through more than 1,014 branches. AIS also distributes our products and services through other retail outlets and modern trade retailers such as JAYMART Group, TG Fone Group, and Central Retail as well as retails distributors both of online and offline which provide selling of product and service of AIS.

### Wholesaler

AIS appointed Advance Distribution Partnership (ADP) wholesalers by area nationwide. The ADPs facilitate the efficient distribution of products such as SIM cards and mobile phones to more than 17,800 retailers across the country.

### Direct Sales and Telesales

Focusing on postpaid customers acquisition, this channel makes product offering faster and more efficient while providing a direct approach to target groups. Examples of direct sales include sales booths or activities in the targeted areas. On top of this is the "AIS Easy App", which is designed to support sales, allowing sales teams to promptly sell products and services and complete customer registration with better efficiency. In the previous year, telesales was introduced to provide a direct sales channel via the Call Center.

### Online Channel

The channel is dedicated to promoting customers self-service via the AIS website, AIS Online Store, myAIS application, Kiosks, Chat and Shop, Social Commerce and E-Marketplace. MyAIS has been upgraded to provide greater convenience as a one-stop application, its Express Service function provides the same range of services as an AIS Shop while the AI assistant Aunjai feature provides personalized End-to-End support 24 hours a day. In addition, myAIS application also offers retails SIM cards and facilitates applications for AIS Fibre home internet, providing a convenient channel for existing customers to take on further AIS services.



## Customer Relations Management

AIS' customer relations management focuses on being a part of customers' digital lifestyles and delivering excellent user experience by integrating innovations and technologies to better reach customers and offer services that address the latent needs of each customer (personalization). The Company also commits to initiating collaboration with numerous business partners in line with the ecosystem economy concept to include their products and services to add value to AIS offerings and provide a distinctive digital experience to customers. AIS' privilege programs and service channels to foster relationships and enhance customer experience are as follows:



### myAIS App is the most used channel by AIS customers

and has been continuously developed to include all core services on the app. Currently, myAIS has the highest number of customers access to AIS services with a 22% increase in transactions compared to 2022 and with over 11 million active users per month. At the end of 2023, myAIS was upgraded into a new version as a lifestyle application. Key changes are as follows:

- **AIS Living Network:** This allows users to monitor real-time quality of their mobile network at their current location while the app would also promptly provide alerts for any network disruptions. Customers can also optimize and boost their 5G internet modes on demand in response to their differing needs such as playing games, live streaming, and others.
- **Checking the broadband status and trouble shooting problems:** Users can self-check their AIS Fibre status from anywhere, as well as trouble shooting their home internet problems or scheduling a repair appointment with a service team through the app.
- **A new design with exclusive privileges offerings that match customer lifestyles:** The upgraded app allows users to flexibly set their usage pattern for convenience and ease of use. The app also has a function to personalize privileges together with products and services offerings for each customer, using Machine Learning.



## Special Privileges through “AIS Privileges” and “AIS Points”

AIS provides customers with a broad spectrum of products and services from both AIS and its partners to match various consumer lifestyles and to add the value to the core services. Currently, 23 million AIS registered users have joined the AIS Points program and create approximately 50 million redeeming transactions each year. The key point redemption channels include the following:

- **Over 30,000 leading stores** and another 500,000 Tung Ngern retail shops from Krungthai's Point Pay project across the country. Customers can use AIS Points to redeem discounts for products and services at participating stores.
- **AIS Points Plus program** is created in collaboration with partners that allows AIS customers to connect to their partner points accounts to redeem a wider selection of privileges. The partners include but not limited to Bang Chak Points, Citi Rewards Points, and K Point. Similarly, AIS customers can also transfer their accumulated partner points to AIS Points to redeem AIS privileges.
- **Other partnerships** collaborated from many sectors to provide additional AIS point collecting channels. Examples include purchasing through Be1st Digital AIS Points debit card, purchasing a mobile phone at AIS Shop, AIS Online Store, and other participating partner stores.

## AIS Serenade

AIS Serenade is a customer loyalty program that offers special privileges and exclusive benefits for AIS customers with high usage and has been AIS customer for a long time. The privileges include food and beverages, shopping and entertainment, health and beauty, and tour packages. This year, the Company has extended collaborations with partners in new sectors to keep up with the new sustainable lifestyles such as MuvMi, an on-demand ride-sharing service, and EV charging stations.



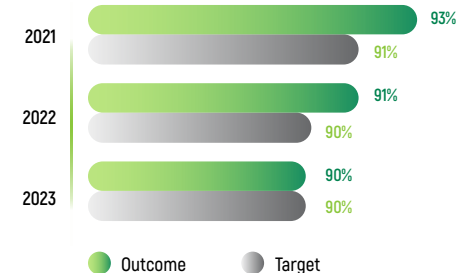
## Provision of privileges and special promotions with personalization to customers behaviors

AIS is resolved to serve the latent needs of each customer. To that effect, the Company has developed a data analytics model to gain in-depth insights into each customer. To ensure contextual interactions, AI technology and machine learning have been adopted to analyze the situation and context of each individual, allowing AIS to offer special benefits to the customer at the most appropriate time.

## Customer satisfaction measurement:

AIS observes customer satisfaction across numerous platforms, including rating via telephone calls, surveys in our service shops, and questionnaires arranged by an external agency. These ratings assess the quality of services at our shops, dealers, and automated service machines, including the measures of the likelihood for our customers to recommend AIS and our services to others, and are used to continuously improve our services. As a result, AIS was able to achieve the customer satisfaction goal of 93% for 2023.

Customer satisfaction scores







## Procurement of Products and Services

### Spectrum

Currently, AIS operates its mobile business with a total spectrum of 1,460 MHz (2x80 MHz on FDD technology and 1,300 MHz on TDD technology). 1,430 MHz of spectrum licenses are granted by the NBTC to Advanced Wireless Network Co.Ltd. (AWN), a subsidiary, and this included 5x10 MHz of 700 MHz frequency which transferred from NT on 24 October 2023. Another 2x15 MHz comes under the partnership agreement between the NT and AWN.

Details for the spectrum licenses are provided under the topic "Assets used in operations", Page 47.

### Network equipment procurement

AIS adheres to a "multi-vendor policy" to avoid dependency on any single supplier. Equipment vendors and AIS work together to align plans for equipment and service development for the optimum solutions and mitigate procurement risk and ensure the on-time delivery of equipment.

To select suppliers, AIS appoints committees to evaluate and assess the most suitable options. Many factors are taken into account such as investment and operating costs, technical assessment, and vendors' technological development plan, to make sure that AIS will be able to operate sustainably through evolving technology in the future. AIS selected key network equipment from leading international vendors including Huawei,

Nokia, and ZTE. Other parts in the network are supplied by CISCO, Juniper among many others.

### Procurement for mobile handsets, accessories for home internet, digital lifestyle devices, and other devices

AIS offers a wide variety of mobile phones with different features in various price ranges to match the diversified needs of customers. The Company carries most popular brands in the market including Apple, Vivo, Oppo, Samsung, Realme, Huawei, Xiaomi, and others. Added to these are devices to upgrade the home internet service to match consumers' various needs. Chief among them are intelligent routers that integrate AI technology to manage WiFi signals, Mesh WiFi Systems which have multiple access points to provide better coverage in hard-to-cover areas, and cloud PCs. AIS also offers IT and other digital lifestyle products such as tablets, accessories, IoT devices, and game devices in response to the growth in digital usage in Thai society and new digital lifestyles as a result of changing consumer behavior. In procuring mobile handsets and IT products, AIS has collaborated with leading manufacturers and financial partners to offer a wide variety of products and increase customers' access to devices, especially the 5G-enabled devices at more affordable prices on the AIS network, allowing them to experience flawless usage with maximum efficiency.

## Work Under Progress

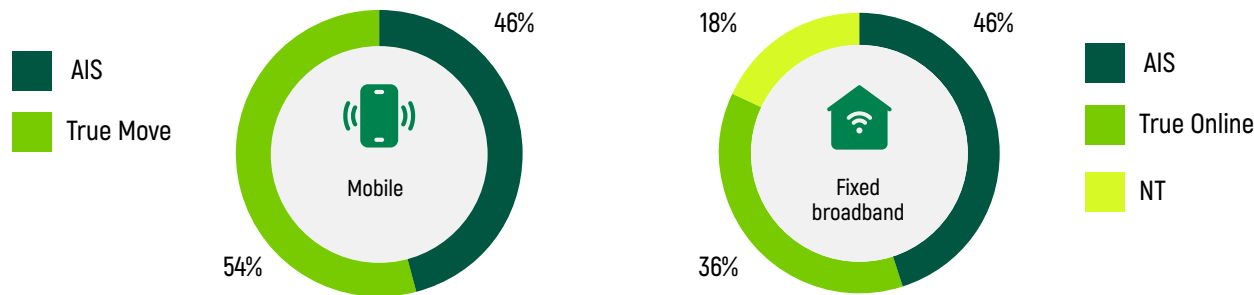
-None-



## Industry Competition in 2023 and Outlook for 2024

### Industry Competition in 2023

Subscribers market share of Mobile and Fixed broadband



### Mobile industry competition began to level off while the country's economy witnessed slow growth

In 2023, the Thai economy grew from the previous year, attributable to the revival of the country's tourism sector both locally and internationally despite the lower-than-expected number of international tourists. Simultaneously, private sector consumption rebounded from increased employment and enhanced consumer confidence toward overall economic conditions. However, the export sector experienced a steady slowdown driven by subdued demand from overseas trade partners due to the global interest rates tightening in the money market. In the meantime, Thailand saw signs of recovery in inflation, supported by government policies that contributed to a lower cost of living, thereby boosting purchasing power in the domestic market.

Last year, the mobile industry in Thailand saw a significant market change from the merger of operators, resulting in the existence of two major private operators and one state enterprise operator. For 2023, the mobile industry's revenue declined compared to 2022, totaling 301,000 million baht <sup>1</sup>. With competition stabilizing in the industry, operators attempted to offer attractive mobile plans bundled with diverse services to satisfy consumer needs while promoting the utilization of 5G network. Overall, the number of mobile users remained stable at **96 million** <sup>1</sup>.

AIS' strategic focus on delivering quality products and services, along with offerings tailored to customer needs, resulted in a 0.5% growth in average revenue per user (ARPU) and a 1.2% increase in mobile service revenue, surpassing industry's growth. Despite a 3.0% decline in the total number of subscribers by the end of 2023, AIS garnered a 46% <sup>1</sup> share in term of subscribers and a 49% <sup>1</sup> share in term of revenue.

### Offering 5G services and expanding 5G network to meet the increasing demands of consumer and enterprise clients

In 2023, mobile operators continued their focus on the continuous expansion of 5G networks to accommodate a robust growth in the number of 5G users. The previous year saw Thailand achieving over 90% 5G population coverage, with a total of **19 million** subscribers, representing **20%** of the user bases. The rapid increase in 5G usage was driven by a shift in consumer digital behavior towards data consumption, making them better suited for 5G mobile plans that offer larger data allowances than other plans. This trend was supported by the broader availability of 5G handsets at more affordable prices. Crucially, 5G technology played a pivotal role in enhancing work efficiency for the industrial sector, offering high speed, low latency, and supporting a massive number of connected devices simultaneously. This capability allowed the Thai business sector to envision opportunities for integrating 5G technology with other solutions into operational processes to elevate efficiency, security, and effective cost management, thereby contributing to the sustainable growth of Thai business organizations.

Acknowledging the growing significance of 5G technology for both users and enterprise clients, AIS commits to advancing its 5G network to deliver superior quality and broader coverage. The focus is on emphasizing the efficiency and value that users can derive from utilizing 5G-enabled products and services. Additionally, business-to-business (B2B) clients are increasingly adopting 5G technology to streamline work processes, enhance security, and ensure prompt responses to challenges. In the past year, AIS served as an intermediary platform, connecting Thai business organizations with global developers to select 5G-based use cases that meet the demands of B2B clients. The primary emphasis was on four industries: Smart Manufacturing & Smart Factory, Smart Property, Smart Transportation & Logistics, and Retail. The heightened importance of 5G technology positions 5G-related products as key drivers for AIS's long-term growth.

<sup>1</sup> Excluding the National Telecom Public Company Limited (NT)



## Fixed Broadband showed consistent growth driven by expansion of users and value-added services

Fixed Broadband market grew steadily in line with urban expansion in Thailand, resulting in a higher demand of Thai households for data information access as well as digital usage. In 2023, the number of internet users in Thailand reached **10.4** million households, an increase of 1.6% from 2022. The penetration rate of internet broadband in the country stood at 48% while the total industry value of the broadband market at the end of 2023 amounted to **60** billion baht, a slight decrease of 2%. This decline was influenced by marketing strategies that focused on offering affordable package plans and discounts to retain and expand customer bases, overshadowing attempts to adopt a value-adding strategy and provide convergence services. Consequently, the average revenue per user (ARPU) for the broadband market remained relatively unchanged from the previous year.

In 2023, a significant milestone for AIS in the fixed broadband service was the acquisition of Triple T Broadband Public Company Limited, the operator of '3BB' brand. The merger was completed on November 15, 2023, positioning AIS as a leader in the fixed broadband industry in Thailand. With 4.7 million household subscribers, AIS commands a 46% market share, supported by a broadband fiber network that spans over 13.3 million households. This extensive network enhances access to digital products and services, especially for users in remote areas, laying a robust foundation for the future development of Thailand's digital economy.

## Technology and digital services played a pivotal role in the operational landscape of Thailand's business sector

In the current business landscape, organizations, ranging from small businesses to large corporations, must be equipped to navigate the dynamic economic and social conditions, highlighting the pivotal role of digitalization in their operations. Despite facing challenges such as a political vacuum post-election and a slowdown in international trade due to economic

sluggishness, Thailand's technology and digital services market achieved a notable 10% growth in 2023, reaching a total industry value of 160,000 million baht. Key products and services encompassed enterprise data services, cloud offerings, cybersecurity services, data centers, Internet of Things (IoT), and ICT solutions, contributing to the robust expansion of the enterprise service business. These services attract attention from global partners eager to collaborate with Thai operators, presenting opportunities for local telecom service providers with an enterprise client base to join forces with international partners in introducing new technology to clients. Beyond the business sector, there are prospects for investment and the development of new products to align with consumer adjustments toward a lifestyle that increasingly incorporates digital technology into their daily routines.

AIS is dedicated to delivering essential services to enterprise clients, starting with enterprise data services as the initial phase to prepare their operations for digitalization. Additionally, AIS is well-positioned to provide value-added services, including cloud services, data centers, digital business solutions, and diverse platforms, offering clients a comprehensive one-stop solution for digitalization. This strategic approach led to a 10% increase in revenue from AIS' enterprise non-mobile business in 2023.

### AIS, become leader in Thailand Fixed broadband industry

Subscribers  
**Over 4.7 million**  
Households



Fiber Optic covered  
**Over 13.3 million**  
Households

## Outlook for 2024

### Mobile business growth from commitment to quality and superior user experience

Thailand's economic outlook for 2024 anticipates to continuously expand from 2023 where the National Economic and Social Development Council (NESDC) projects a growth range of 2.7% to 3.2%<sup>3</sup>. This growth is propelled by government stimulus packages, private sector domestic consumption, and a recovery in goods exports. However, uncertainties linger due to uneven household income recovery, elevated household debt levels, and economic slowdowns in major trade partners, particularly China.

Overall, the telecommunications industry is expected to benefit with an expansion in private consumption and the government stimulus packages, fostering increased telecom usage and domestic consumption. Furthermore, the arrival of international tourists is poised to elevate international-related usage and roaming, contributing to overall revenue growth in the mobile industry. Meanwhile, the market competition is projected to remain stable from 2023. The industry service providers are likely to offer comprehensive plans addressing users' digital needs with enhanced privileges, to deliver diverse values and experiences.

In 2024, AIS is committed to deliver products and services prioritizing quality and best user experience to grow mobile service revenue. The Company is also dedicated to differentiation by elevating user experience through the development of functions within key channels like MyAIS application. Additionally, AIS is delivering various comprehensive points and privileges through collaborations with numerous business partners, aligning with the principles of ecosystem economy to strengthen relationships with all customer groups.

<sup>3</sup> Thai Economic Performance in Q3 of 2023 and the Outlook for 2023-2024 Monday 20 November, 2023 at 09.30 a.m. at the Office of National Economic and Social Development Council





## 5G technology usage set to grow amid rising demand for data access and evolving user digital behaviors

In 2024, 5G technology and 5G market value will continue growing as consumers has tendency to opt for 5G plans with higher data offering and distinctive value of high speed and low latency, to enjoy the enhanced user experience and improved efficiency. In addition, higher numbers of affordable 5G-enabled handsets foreseen in the market will further expand the customer base for mobile operators.

AIS aims to encourage user transition to the 5G network through strategies like enhancing the network for comprehensive and efficient usage, providing diverse 5G plans that match the customer needs, and offering smartphone bundling with 5G plans. Beyond general users, AIS pledges to extend its 5G services to enterprise clients, encouraging them to incorporate 5G technology and solutions into business operation such as remote controlling, real-time monitoring, unmanned vehicles, smart factories. This extension is expected to grow AIS' 5G revenue base in the future.

## Fixed broadband market continues the trajectory of sustained growth

Thailand fixed broadband market is poised to sustain its growth, driven by the growing digital lifestyles and a 50% broadband penetration rate, signifying lucrative opportunities for market expansion especially in remote areas. Competition is expected to remain stable from the previous year with service providers place more emphasize on diverse and quality plans, including fixed-mobile convergence, bundled Internet of Things (IoT) offerings, and smart home solutions to meet consumer digital demands. The efforts aim to increase users and the market value for the broadband industry for 2024.

AIS sets to achieve its broadband growth target by synergizing the strengths of the 'AIS Fibre' and '3BB' brands under the 'AIS 3BB Fibre 3' concept. This involves integrating the networks of both companies, covering over 13.3 million households, and enabling AIS to extend its customer base into new areas. With a combined coverage of 4.7 million households nationwide, AIS can diversify its product and service offerings beyond home internet services, adding significant value to its fixed broadband business.

## Heightened importance of digital technology amid the evolving social-economic context

In the face of dynamic socio-economic changes, digital technology becomes crucial for Thai industries to adapt by incorporating digital technology to enhance competitiveness and ensure efficient organizational management. Essential products and services to digital transformation such as connectivity, enterprise data service, business cloud, and data center, are crucial for business organizations to help increase the flexibility and convenience in operations. Similarly, the increased importance on safety and occupational health in the workplace may drive the adoption of automation and unmanned solutions, presenting future technological opportunities for business.

In 2024, AIS anticipates sustained growth in enterprise client business, prioritizing products and services to propel digitalization in the business sector and create new capabilities that can gain competitive advantages despite challenging economic contexts. Emphasis remains on offering connectivity services such as network technology, secure local and international cloud-based solutions, and diverse digital platforms. This includes offerings like Communication Platform-as-a-Service (CPaaS) and the AIS Paragon platform, catering to varied application needs and fostering mutual growth for AIS and its enterprise clients.



## 3-Year Business Direction



As a leader in providing digital technology services in Thailand with over 45 million users nationwide, AIS caters to individual, home, and business customers with diverse needs. The company sets its sights on delivering products and services that address these demands, ensuring the best user experience. The Company strives to transform into a Cognitive Tech-Co, adhering to the principles of the Ecosystem Economy. Over the next three years, it aims to enhance its four core services with the following strategic initiatives:

### **Mobile Communication Service:** Sustain excellence in network quality while enhancing the values through 5G technology and segmented value-added services

AIS focuses on sustaining growth with superior services leveraging on its leadership in network quality backed by advanced technology. The Company also continuously improves the 5G network in both coverage and quality together with building a 5G ecosystem to accommodate the diverse uses of individual and business customers, and to support more adoption of 5G. The emphasis also extends to offering value-added services that are tailored to the specific needs to uplift and bring the best user experiences for all customers.

### **Fixed Broadband Service:** Focus on quality acquisition and growth driven by distinctive services and innovations

AIS recognizes growth opportunities in the high-speed internet business due to a relatively low penetration rate. The company aims to fuel its growth by capitalizing on the strength of its network quality and expanding into new areas with a focus on attracting high-quality users. The successful acquisition of Triple T Broadband Public Company Limited has allowed AIS to gain a larger network with combined access to more than 13.3 million households. AIS is determined to meet the needs of both home users and businesses by providing beyond just high-speed internet. The company aims to offer customers wider opportunities with a broader range of services, particularly those distinguished by outstanding quality and innovations.

### **Enterprise Solutions:** Focus on core connectivity service with additional values delivered through technology and solutions

In response to the growing trend of digital technology adoption for improving business operations, AIS is committed to fostering growth in the enterprise business sector by capitalizing on its longstanding leadership in telecommunication services. The primary focus is on expanding services, including digital infrastructure, data connectivity, and other connectivity-related solutions. Leveraging its existing enterprise client base, AIS is also extending its offerings to encompass additional digital technology services such as business cloud, digital platforms, and end-to-end vertical



solutions. These services enable the industrial sector to seamlessly and effectively integrate technology into their operations. Our enterprise-focused digital services target four specific industries: manufacturing, real estate, transportation and logistics, and retail. AIS is actively refining its employees' specializations to align with the unique demands of each industry, ensuring tailored and effective solutions for specific needs.

### Digital Solutions: Address digital lifestyles through business partner collaborations and enhance the growth of core businesses

In light of changing consumer digital lifestyles, AIS is determined to address the various needs of customers with a broad array of digital services from collaborations with strong business partners to offer extended services such as video streaming and contents, and online insurance. In addition, AIS has cooperate with specialized partners to co-develop new platforms and services to add more value for every group of AIS customers such as digital financial services. All of which will support AIS' core businesses and potentially create a new revenue source for the Company.

### Strengthen access to customers while creating broader values in point and privilege ecosystem

To deliver an extensive range of services to all customer segments, AIS focuses on strengthening its customer touchpoints both online and offline transforming them into comprehensive product and service delivery centers. Aiming to add more customer benefits and build lasting impression on AIS products and services to the Company's existing 45 million users, AIS has continuously developed its privilege and point ecosystem, building

on a collaborative model with business partners in various industries to effectively address the lifestyles of each group of customers.

### Strengthen infrastructure and enhance speed, security, and stability

AIS emphasizes the significance of enhancing its infrastructure to improve operational efficiency and provide superior user experiences to diverse customer groups with speed and security. The four key infrastructure improvements are as follows:

**Information Technology (IT):** AIS aims to restructure and redesign its IT architecture, eliminating redundancies while incorporating new technology to automate the processes and reduce errors. This will enhance the speed of delivery and security for customers.

**Network:** To uphold its network leadership, AIS is committed to the ongoing expansion of its network and the development of an autonomous network. This initiative aims to improve user experiences, adapt to evolving technology and usage patterns among all consumer groups, as well as cost efficiency.

**Data Analysis:** We aim to gain customer insights through data analytics, enabling AIS to provide services and privileges that align with their diverse lifestyles and address rapidly changing usage behaviors.

**Human Resources:** AIS emphasizes developing its employees who play a pivotal role in driving the organization. This includes continuously upskilling employees, offering a competitive salary, providing growth opportunities, and creating an inspiring work culture for employees at all levels.





## Assets Used in Operations

The total assets used in operation of AIS business can be divided into three main groups:

1. Fixed assets such as network equipment, service shops, office building, and land.
2. License to operate telecommunication service such as spectrum license and other licenses to operate telecommunication business.
3. Commercial Agreement such as agreement with NT and Jasmine Broadband Internet Infrastructure Fund (JASIF).

The details of significant assets are as at 31 December 2023 as follows;

### Fixed assets of AIS and subsidiaries

	Type of Ownership	Estimated Useful Life (years)	Unit: Million Baht
Tools and equipment for providing telecommunication network and fixed broadband services	Ownership	3 - 30	331,977
Right-of-use assets	Right-of-use	1 - 24	159,643
IT equipment	Ownership	3 - 10	14,687
Network under construction and installation for rendering telecommunication and fixed broadband services	Ownership	-	14,376
Other fixed assets			8,377
<b>Total</b>			<b>529,060</b>
<u>Less</u> accumulate depreciation/ amortization			(288,611)
<b>Net Book value</b>			<b>240,449</b>

Fixed assets of AIS and its subsidiaries had included the financial leases recognized under right-of-use assets. The significant agreements are as follows:

- Lease and related service agreements for office space, cars, computers and base station
- Service agreement related to the national roaming service
- Telecommunication equipment rental agreement for providing telecommunication service
- Telecommunication tower rental agreement

### License to operate telecommunication service

AIS and its subsidiaries operates 2G, 3G, 4G and 5G network service and other telecommunication services under the spectrum license granted from the NBTC which are Telecommunication business license type 1, Telecommunication business license type 2, Telecommunication business license type 3, Internet Service Provider Type 1, International Internet Gateway and Internet Exchange License Type 2 with its own network.

Moreover, the company including with subsidiaries companies, associated companies and joint venture companies which have electronic money business license and electronic payment service license to operate mobile money services, including prepaid card sales on prepaid systems and electronic wallet.

Remark: JASIF has been renamed to 3BB Internet Infrastructure Fund (3BBIF) on 20 February 2024.



## Summary of Key Telecommunication Service License granted by NBTC

Spectrum license	License Fee	Grant date	Grant Period	Expiration
The right to use 21 GHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x15MHz</li> <li>Provide telecommunication network covering at least 50% of population within 2 years and at least 80% of population within 4 years</li> </ul>	Pay for the license within the time period as specified by the NBTC.	7 Dec 2012	15 years	6 Dec 2027
The right to use 900 MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x10MHz</li> <li>Provide telecommunication network covering at least 50% of population within 4 years and at least 80% of population within 8 years</li> </ul>		1 Jul 2016	15 years	30 Jun 2031
The right to use 1800 MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x15MHz</li> <li>Provide telecommunication network covering at least 40% of population within 4 years and at least 50% of population within 8 years</li> </ul>		26 Nov 2015	18 years	15 Sep 2033
The right to use 1800 MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x5 MHz</li> <li>Provide telecommunication network covering at least 40% of population within 4 years and at least 50% of population within 8 years</li> </ul>		24 Sep 2018	15 years	15 Sep 2033
The right to use 2600MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 100 MHz</li> <li>Provide telecommunication network coverage on major economic zone of Thailand as follows; (1) At least 50% geographical coverage of the Eastern Economic Corridor (EEC) area within 1 year, (2) At least 50% population coverage of key cities area including Bangkok Metro area, Chiang Mai, Nakorn Ratchasima, Khonkaen, Songkla and Phuket within 4 years from license granted date.</li> <li>Provide network based on IMT-2020 (5G) technology of at least 50% geographical coverage of the Eastern Economic Corridor area within 1 year to receive special conditions applied for extended payment term in which 2nd – 7th installment starts in year 5 - year 10</li> </ul>	Pay for the license within the time period as specified by the NBTC.	21 Feb 2020	15 years	20 Feb 2035
The right to use 700MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x10 MHz</li> </ul>		15 Jan 2021	15 years	14 Jan 2036
The right to use 26GHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 1200 MHz</li> </ul>		18 Feb 2021	15 years	17 Jan 2036
The right to use 700MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x5 MHz</li> </ul>		1 Apr 2021	15 years	31 Mar 2036
The right to use 700MHz spectrum <ul style="list-style-type: none"> <li>Bandwidth of 2x5 MHz</li> <li>Provide telecommunications network service with the minimum capacity of 20% of its networks to the Mobile Virtual Network Operator (MVNO)</li> </ul>	Provide telecommunications network service with the minimum capacity of 20% of its networks to the Mobile Virtual Network Operator (MVNO).	23 Aug 2023*	12 years 7 months	31 Mar 2036

**Remark:** \* The date the NBTC approved the transfer of license from NT



## Commercial Agreement

### Commercial Agreements with NT

#### 1. Roaming Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	NT provide roaming service on NT's 2100 MHz spectrum to AWN with terms and conditions as specified in the agreement.	Pay the monthly roaming fee to NT at the rate per subscriber as specified in the agreement	7 years 5 months	3 Aug 2025

#### 2. Telecommunication Equipment Rental Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
SBN	Provide equipment rental to NT, which allows NT to provide mobile service on NT's 2100 MHz spectrum	Receive rental revenue from NT which is subjected to the rate and usage as specified in the agreement	7 years 5 months	3 Aug 2025

#### 3. Telecommunication Tower Rental Agreement (TOT)

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	AWN rents the telecommunication towers from NT while NT agrees to use the space and maintenance services from AWN	Pay a usage base fee with an estimated total net value for 10-year period of approximately 28 billion Baht	10 years	31 Dec 2028

#### 4. Telecommunication Tower Rental Agreement (CAT)

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	AWN rents the telecommunication equipment tower from NT while NT agreed to use the space and maintenance services from AWN	Pay the monthly fees for tower rental and other related services	5 years	15 Sep 2025

#### 5. Telecommunication Equipment Rental Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	Provide equipment rental to NT, which allows NT to provide mobile service on NT's 700 MHz spectrum	AWN receives rental revenue from NT as specified in the agreement	12 years 7 months	31 Mar 2036

#### 6. Roaming Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
AWN	AWN provides a network rental on NT's 700 MHz spectrum to NT with terms and conditions as specified in the agreement	AWN receives roaming fee from NT as specified in the agreement	12 years 7 months	31 Mar 2036





## Commercial Agreement with JASIF

### 7. Optical Fiber Cables Rental Agreement

Company	Significant terms and condition	Benefit	Agreement Period	Expiration
TTTBB	Lease the optical fiber cables with JASIF for 80% of all the optical fiber assets sold by TTTBB and delivering to JASIF	Pay the monthly fees for optical fiber cable rental and other related services	23 years	31 Dec 2038

## Policy to invest in subsidiaries and associate companies

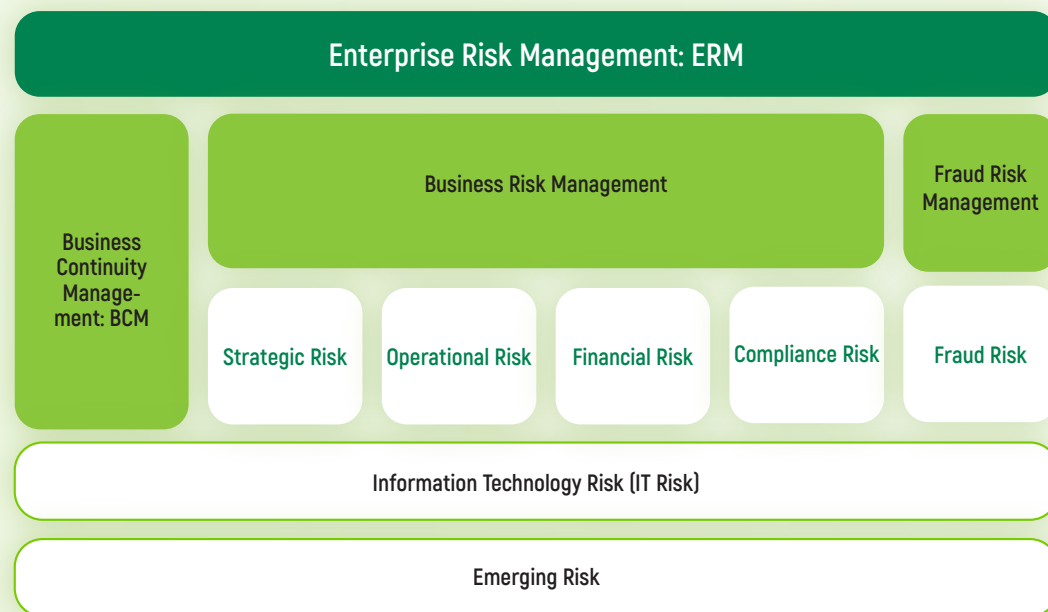
AIS invests in subsidiaries and other companies for the purpose of supporting our main business or operating other related services which is beneficial to our business. AIS has appointed directors and executives as our representative in those companies for the purpose of shareholder's benefit and value maximization.



# Enterprise Risk Management

## Risk Management Policy and Framework

Risk management is an important process that helps AIS and its group companies (AIS) achieve their objectives and goals as well as appropriately respond to the expectations of various stakeholders. AIS has established an Enterprise Risk Management Policy and Framework applicable to the corporate and operational levels in order to manage and maintain risks at an acceptable level (Risk Appetite). The Enterprise Risk Management framework of AIS consists of the following components.



For Business Risk Management, AIS has fully considered different significant business risks in line with its risk management guidelines, namely Strategic Risk (S), Operational Risk (O) Financial Risk (F), Compliance Risk (C) and Fraud Risk Management as well as Corruption Risk Management. In addition, the Company has considered Information Technology Risk (IT Risk), which the Company considers an important part of its operational risks. Emerging Risk is the newly identified risk category, which is expected to have a long-term impact on the company's business. Each risk category can be further classified to align with the ESG dimensions.

## AIS Enterprise Risk Management Framework & Processes

The AIS Enterprise Risk Management framework and process are aligned with the integrated framework of the COSO ERM 2017: Enterprise Risk Management Integrating with Strategy and Performance and is applied to business risk management and fraud risk management. The 7 steps in the risk management process are:



- 1. Set objectives** at both corporate and functional levels, with alignment to the AIS corporate strategy and are within its risk appetite as approved by the Board of Directors and reviewed annually.



**2. Identify the events** that could have a negative impact (risks) on AIS's ability to achieve its goals and targets considering internal factors such as operational processes and human resources, and external factors such as customers, the economy, politics, and regulations.

**3. Assess** the identified risks by considering the likelihood of the risk occurring and the potential impact if the risk were to occur. Added to this is the correlation between the impact of any risk and how it could affect another risk.

Risk assessment approaches may be qualitative, quantitative, or a combination of both.

- Qualitative assessment approaches, such as interviews, workshops, surveys, and benchmarking.
- Quantitative assessment approaches, such as sensitivity analysis and scenario analysis.

**4. Prioritize risks** with consideration to the degree of importance of each risk and the potential damage to the Company.

**5. Plan risk response** measures with consideration to the level of risk involved and the corresponding cost and benefit.

**6. Establish control activities** to help ensure that the desired risk responses are implemented as intended and are carried out effectively.

**7. Monitor and report** the status of risks and the effectiveness of the risk management process. Reports are to be forwarded to the Audit and Risk Committee and the Board of Directors regularly.

## Effectiveness of Risk Management Process

To ensure appropriateness and effectiveness of the Risk Management Process, AIS conducts both internal audit and external audit.

### Internal Audit:

- Audit and Risk Committee, appointed by the Board of Directors, is responsible for performing risk oversight to ensure compliance with

the Company's risk management framework and guidelines. The Audit and Risk Committee conducts quarterly meetings to review and assess the adequacy and effectiveness of risk management.

### External Audit:

- External parties including independent third-party auditors, assess the effectiveness of risk management process annually, as a part of other management standards i.e., ISO/IEC 27001 (Information Security Management Systems), ISO 22301:2019 (Business Continuity Management System), ISO 50001:2018 Energy management systems and ISO/IEC 20000-1:2018 Information technology – Service management.
- Regulators such as National Cyber Security Agency (NCSA) and Bank of Thailand (BOT) specifically review IT risks.

## Roles & responsibilities of AIS Risk Management



### Board of Directors

The Board of Directors is responsible for overseeing overall risk management in accordance with business strategies and objectives by establishing the

Company's risk management policy, risk appetite and tolerance, considering key risks and mitigation plans and fostering a risk management culture within the Company.

### Audit and Risk Committee

The Audit and Risk Committee, appointed by the Board of Directors, is responsible for performing risk oversight to ensure compliance with the Company's risk management framework and guidelines. The Audit and Risk Committee is also responsible for reviewing the appropriateness and effectiveness of the Company's business processes and risk management process.

### Risk Management Committee

The Risk Management Committee is chaired by the Chief Executive Officer and comprises heads of the business units. The Risk Management Committee holds quarterly meetings in order to identify and assess new risks and correlations with other identified risks as well as to review and follow up on the accomplishments of its risk management strategy by comparing action plans against their measured results.

The Risk Management Committee reports the risk management results to the Audit and Risk Committee and the Board of Directors on a quarterly basis to ensure that the Company's key risks are closely monitored and managed to an acceptable level and that the Company is able to accomplish its goals and objectives.

### Risk Management Unit

The Risk Management Unit is responsible for providing advice to the management and employees on implementing the risk management process in accordance with the established framework. It is also responsible for integrating the risk management process into the strategic planning process.

### Chief Executive Officer

The Chief Executive Officer is responsible for determining key operational strategies, taking into account the Company's risk appetite. The CEO is the ultimate owner of all risk issues of the Company and is responsible for promoting a risk management culture at all levels of employees.





## Heads of business units

Heads of business units are responsible for complying with the risk management policy and framework, as well as communicating them to employees within their line of work to ensure understanding. They are responsible for identifying, assessing and managing risks associated with their work line in accordance with the Company's established framework and delivering information to the Risk Management Unit.

## Employees

Employees are responsible for learning and having awareness of risk management and applying the risk management policy and framework to their daily operations.

## Fraud and Corruption Risk Management

AIS has declared its anti-bribery and corruption policy to provide guidelines for directors, executives, and employees at all levels in their performance of duties and to enable the Company to comply with relevant laws and regulations. It also prevents the Company, directors, executives, employees, and stakeholders from performing any act that may violate the laws on bribery and corruption. Additionally, AIS carries out an assessment of risks associated with bribery and corruption every 3 years and has designed the work processes for the involved department to prevent any risks arising from bribery and corruption.

To manage corruption risks, AIS has declared its policy on management of risks arising from corruption to prevent, monitor, report, and manage corruption issues. The policy has prescribed guidelines on managing corruption risks according to the following three aspects:

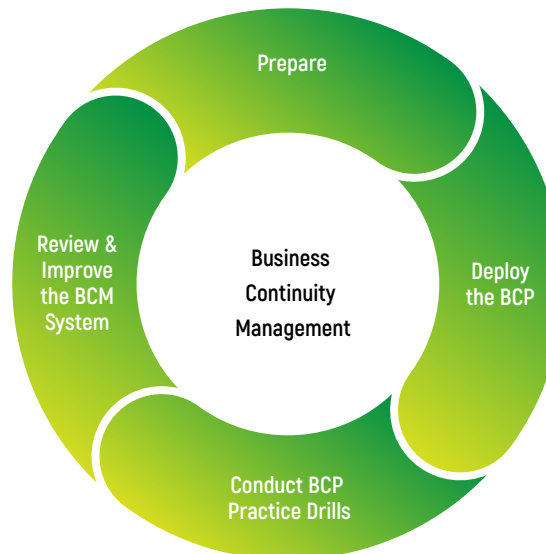
- 1. Prevention** –proactively identify, assess, review and respond to all possible acts of fraud in the organization and communicate such issues to employees at all levels to build awareness and understanding of the importance of fraud, corruption and misconduct reporting.
- 2. Detection** –check or investigate any misconduct or fraudulent case where there is reasonable suspicion.

## 3. Response – perform investigation processes through to punishment.

The Company's objective is that directors, executives and employees are aware of fraud risk and notify the Company of any action possibly leading to fraud immediately while being ready to fully cooperate in any investigation relating thereto. The Company has appointed a Fraud Risk Management Committee (FRMC) to oversee the policy and fraud risk management process as well as support other functions relevant to developing fraud risk management, including self-management and systematic risk control.

## Business Continuity Management

AIS has set in place a business continuity management system in conformance with international standards. The objective is to continue operations in the event of natural disaster or any other situation beyond the Company's control with the potential to cause interruption to its core operating system and a loss of company property and personnel including Critical Business Process at both central and regional levels, including AIS Group and subsidiary companies.



In support of this system, AIS has established the Business Continuity Management policy and manual and appointed the Crisis Management Committee, comprising top executives from each business unit and chaired by the Chief Executive Officer. The Crisis Management Committee is given the responsibility and authority to make decisions during times of crisis, including incident response and overseeing necessary internal and external communication in an efficient and timely manner to ensure the effectiveness and sustainability of the Company's business.

The business continuity management (BCM) process comprises 4 main steps as follows:

### 1. Prepare business continuity plan:

A business continuity plan must be prepared in accordance with the objectives of business continuity management to enable the Company to cope with the potential impact of a disaster. The plan takes into consideration both the Business Impact Analysis (BIA) and Risk Assessment (RA) to determine the critical service or the critical process of each unit and define the time period that could be endured as a result of disruption before being deemed unacceptable.



## 2. Deploy business continuity plan:

The approved business continuity plan is to be distributed and communicated to all related parties and understanding must be ensured. This step includes the preparation of resources, both internal and external, that are necessary for the implementation of the business continuity plan.

## 3. Conduct business continuity plan practice drills:

Business continuity plan practice drills are to be arranged according to a defined schedule and targets. The report results of practice drills shall be reported to the person accountable for the business continuity plan and to the Crisis Management Committee, respectively.

## 4. Review & improve business continuity management system:

The plan shall be periodically reviewed and improved by the observation from the practice drills to ensure its effectiveness and alignment with the risk level currently faced by the organization.

## Overview of Business Continuity Management Framework

AIS has in place a Business Continuity Management System comprised of an Enterprise Business Continuity Plan (Enterprise BCP), Departmental Business Continuity Plan (Departmental BCP) and IT Disaster Recovery Plan (IT DRP). Risk assessment of any threat to the Company must assess both the likelihood of that threat occurring and its impact in order to prepare the Business Continuity Plan at each level as detail below:

1. **The Enterprise BCP** by assessing threat that might impact the Company, for coping with the crisis or any emergencies which could adversely affect or damage working facilities or staff.
2. **Departmental BCPs** based on the findings of the Business Impact Analysis (BIA), are also in place to manage the situation in the event that

any department is not able to perform any process that could directly impact the Company's products or services.

3. **IT Disaster Recovery Plan (IT DRP):** The plan has been established to provide a strategy and working process to recover all information technology systems that support critical processes. This includes all of the resources required to ensure business continuity within an acceptable recovery time and to an acceptable operational level.

**BCP for critical business process:** The AIS Business Continuity Management Committee has assigned senior executives and heads of related parties to prepare the business continuity plan to ensure continuation of critical business processes that have a direct impact on the Company's ability to deliver its critical services. It is the responsibility of all management and staff to support the activities related to business continuity management. Chief among them are preparation of the business continuity plan, allocation of resources according to the business continuity plan, carrying out practice drills, and reviewing the plan to ensure the effectiveness of business continuity management.

AIS received the ISO 22301:2019 Business Continuity Management System (BCMS) in Cloud Service and Co-Location businesses for having developed the business continuity management system in compliance with the ISO requirements to deal with any emergency or natural disaster in support of sustainable development. Also, the Company practices business continuity management plan simulation exercises annually to be prepared for handling any emergency, enabling AIS to provide continuous services according to the predefined business continuity plan.

## Building an organizational culture of Enterprise Risk Management

To promote a robust implementation of the risk management framework, the Company has put in place various activities to embed risk culture among management and employees, building awareness and understanding of roles and responsibilities to apply risk management in day-to-day operations

to enhance their abilities to achieve the Company's objectives and goals. AIS works to foster an organizational culture of risk management by doing the following:

### Tone at the top

1. Set clear direction for the Company and communicate through semi-annual performance reviews to ensure employees at all levels have the same understanding and acknowledge the direction and obstacles/challenges of the company's business operations in the short-term and long-term. Management set clear expectations for employees to manage risk to achievement of objectives.
2. Management, as a role model, actively discuss about risk and risk appetite in day-to-day operations and activities.

### Risk governance and transparency

1. Management and employees are clear about their accountability for managing risk. These roles are clearly stated in the Company's Risk Management Policy and Manual.
2. Promote open and honest communication among all relevant parties, including risk-related information and incidents.

### Risk resources and competence

1. Encourage directors and executives to attend training and development in Risk Management related topics in various forms such as the training programs, knowledge sharing from experts and other activities.
2. Provide knowledge of Risk Management principles to employees via online learning platform (AIS LearnDi) where employee can self-study at their convenience.
3. Publish knowledge-sharing material via infographic, easy-to-understand e-brochures for all employees.
4. Risk Management Unit provides advice to other departments in applying risk management concept to their functions via facilitated risk workshops, risk register template, etc.

### Decision making and motivation

1. Promote discussion on what risks are acceptable, or not acceptable, and use this information as a basis for decision making process.



- Integrate risk management with the company's new product and/or service development process. In the feasibility study process, the project owner shall identify the risk factors such as financial risk, regulatory and compliance risk along with related mitigation plans to support the consideration of project approval.
- The Company plans to integrate risk management into its business plan approval process and performance appraisal.

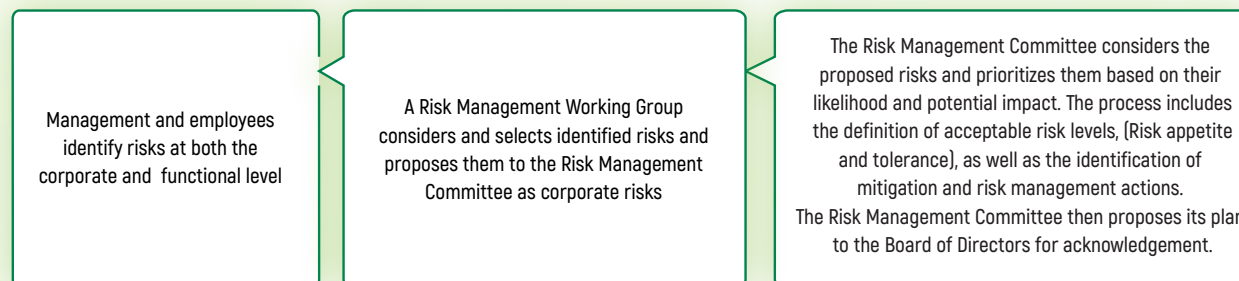
## Risk factors

AIS recognizes the importance of risk management amidst potential risk factors that may affect business operations from both internal and external factors.

Towards identifying risks with the potential to impact the business objectives, goals and opportunities of AIS and AIS group companies, AIS considers the following factors:

- Internal and external factors such as human resources, changes in technology and regulations, customer behaviors and the business environment.
- Extreme events or ongoing conditions that have adverse effects on the Company's work practices or business competitiveness including floods, fires, natural disasters or pandemics.
- Past events, current exposures, and future trends which may affect AIS and its group's business operations.
- Significant movements in the economy, society, and the environment in both the short term and long term.
- The causes of potentially adverse events which may affect AIS and its group's business operations.
- New initiatives or new products and services that AIS is seeking to develop.
- Opportunities to identify new value adding activities.

## Risk Identification Process



## Significant Risk Factors

In 2023, AIS considering risk factors based on Sustainability (Environmental, Social, Governance: ESG) by considering risk factors that are ongoing risks and emerging risks that might occur under the changing environment. It can be classified as follows:

ESG	Risk category					
	Strategic Risks	Operational Risks	Financial Risks	Compliance Risks	IT Risk	Emerging Risks
<b>Environmental (E)</b>	Climate Change Risk					
<b>Social (S)</b>		<ul style="list-style-type: none"> <li>Risk in acquiring and retaining talents to cope with market changes</li> </ul>			<ul style="list-style-type: none"> <li>Risk from Data Privacy</li> </ul>	
<b>Governance and Economic (G)</b>	<ul style="list-style-type: none"> <li>Risk from Intensive Competition in the Market</li> <li>Risk from Technological Advancements and substitution of products and services</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain Risk</li> <li>Risk from Major network Failure or Interruption to Important Systems</li> </ul>	<ul style="list-style-type: none"> <li>Risk from Exchange Rate Fluctuation</li> <li>Risks from the absence of a debt covenant ratio</li> </ul>	<ul style="list-style-type: none"> <li>Risk from changes in government policies, rules, regulations and orders of regulators</li> <li>Risks Arising from Disputes with Government Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Risk to Information Security and Threats from Cyber-Attack</li> </ul>	<ul style="list-style-type: none"> <li>Risks from the merger of competitors</li> <li>Geopolitical and Geoeconomics Risk</li> <li>Potential risks from acquisition of TTTBB and stake in JASIF</li> </ul>

Remark: JASIF has been renamed to 3BB Internet Infrastructure Fund (3BBIF) on 20 February 2024.





## Risks from Industry Regulation and Government Policies

### Risk from Changes in Government Policies, Rules, Regulations and Orders of Regulators

AIS operates under the supervision of government agencies such as NBTC, the organization responsible for regulating operators under granted license in the telecommunications industry and with the legal authority to issue rules, regulations and orders to regulate licensees. Rules, regulations, and orders issued in the future, such as those that relate to amending tariff structures and service fees or measures for consumer protection, have the potential to affect the Company's business operations, reduce the Company's ability to generate profit and/or increase the cost of services.

For any work directly related to government agencies, AIS has a dedicated unit responsible for regularly monitoring the issuance and change of regulations and reporting such changes to management and coordinating with relevant departments to ensure they are informed promptly and are ready to respond. The unit's role includes acting as an intermediary to coordinate with government agencies and ensuring that it is given all the necessary information on the business impact of regulations. Furthermore, the Company, as a service provider which is a direct stakeholder, is invited to provide opinions and comments on drafts of laws, rules, regulations and/or orders which will be issued for enforcement in the future. Through this unit, the Company also has the opportunity to make comments or suggestions and/or raise concerns or opposition to the enactment of laws, rules, regulations and/or orders in the event that they are deemed likely to have a serious impact on the Company's operations, or to have been unlawfully conducted.

### Risks Arising from Disputes with Government Agencies

In the past, AIS operated a business providing telecommunications services under concession agreement with State Enterprises. This required the transfer of assets which the Company had invested for use in its business

operations to government contracting parties as well as the implementation of revenue sharing models at specified rates. Formerly, AIS encountered a number of disputes arising from disagreement in the interpretation of Agreements such as the amount of revenue to be shared. In some cases, NBTC announcements, regulations or orders resulted in impacting upon AIS business operations or concerns for compliance to the extent that it could affect business operation or operating income and/or increase service costs. In many cases, AIS exercised its right under the law to sue the NBTC in a court of law in order to contest the legitimacy of the actions undertaken by the NBTC. (Information and additional details are shown under the topic Legal Disputes)

AIS established a department that is directly responsible for coordinating with government agencies so that the Company as a contract party can conduct its business correctly and in complete compliance with relevant contracts. In the event of a conflict, the Company would enter into negotiations with the aim of seeking a prompt settlement. In the event that the issue could not be resolved through negotiation, the dispute would be entered into the dispute resolution process by the arbitral tribunal as specified in the Agreement. In addition, the matter would be taken before a court with the jurisdiction to rule a final decision.

## Strategic Risk

### Risk from Market Saturation and Declining Growth

In the telecommunication market, particularly in the mobile business with a high penetration rate of 140%, expanding the customer base possess a significant challenge. Over the past five years, the industry revenue growth has averaged merely -0.7% in service revenue, or -1% in total revenue. Throughout the year, the consolidation of mobile operators aimed at cost savings and increased profitability resulted in the emergence of two major service providers. These highlight the limited potential for further growth in the telecom service business, signaling market saturation. Additional challenges include slow economic growth, declining purchasing power, high household debt in Thailand, and global economic and geopolitical uncertainties impacting the Thai economy. These factors limit opportunities

to increase revenue in the telecom industry as the service providers must continue investing in the network to maintain competitiveness and offer quality services at affordable prices, potentially leading to the risk of lower returns for the business.

AIS has thus incorporated the following steps into its risk management plan:

- Develop into new technologies such as 5G, which opens up opportunities for products and services that can be differentiated and are more diverse than 4G services, both for residential and corporate customers. This will help generate additional new forms of income.
- Introduce Fixed Mobile Convergence (FMC) products by continually expanding the Company's Fixed Broadband network to enhance network quality and coverage.
- Drive new digital business to offer services related to daily life in digital form to customers such as video platform services, insurance service and financial services, etc., which will help create new sources of income.
- Enhance the quality of after sales services and privileges program to build differentiation and gain customer engagement.
- Develop strategies for maintaining the customer base and offering personalized products and services that meet the needs of customers by using Advanced Analytics Tools.
- Manage costs prudently with respect to investment evaluation to create good returns to ensure the Company can generate steady cash flow over the long term, and efficient operational cost management by using technology to streamline processes to ensure appropriate cost and deliver a good service experience for customers.

### Risk from Technological Advancements and substitution of products and services

Changes and advances in technology, especially digital technology, have enabled new types of products and services, new entrant as service providers, new digital and online channels or even new business models with lower cost structure. These includes platform providers (Over the Top: OTT) of various services such as messaging, music, video and social media, where no investment in telecommunication infrastructure is required and hence



has enabled consumers to enjoy more alternative services from OTT with low fees or in some cases for free based on advertising model. Moreover, there has been an increase in new services that may substitute services currently provided by the Company, such as internet service via satellite.

These trends directly affect the business operations of the Company, requiring it to continue to invest in and improve its network while developing and offering products and services that generate revenue and respond to customer needs. It is imperative for the Company to adapt and develop its business plan to tackle these challenges in order to retain customer base, generate revenue and sustain long term growth.

AIS has incorporated the following steps into its risk management plan:

- Define key strategies, both short-term and long-term, to respond to changing customer behavior and technologies.
- Invest in new business to create new sources of revenue over the long term focusing on new digital business in collaboration with partners and industry experts such as Cloud, IoT, Cyber security, Digital finance.
- Develop and improve existing products and services with advanced technologies to address digital lifestyle of consumer, for example.
  - Offer new value-added products and services for mobile phone, high-speed internet, and digital content to reduce complexity, save costs for customers, and increase privileges to attract customers.
  - Increase capabilities to satisfy customer needs, using Data Analytics to offer products and services that meet customer demand.
  - Digitalize customer service e.g. online product offering, build AI/Chatbot capabilities and implement Robotic Process Automation for customer services
  - Develop the network infrastructure, customer service systems and support systems by incorporating new technology such as cloud technology.
- Transform the organizational structure and develop the competency of employees to support the key strategies of the Company.
- Invest in research and development of innovation by capturing trends and new technologies as well as partnering with external organizations and business partners to research and develop innovation.

## Operational Risk

### Risk in acquiring and retaining talents to cope with market changes

The global situations and the market outlook have witnessed changes in various dimensions. Examples include changing lifestyles following the relaxation of COVID-19 restrictions, the ageing population trend, and the emerging businesses to address changing consumer behavior. Also, rapidly-evolving technology advancements such as big data, cloud computing, and artificial intelligence in the form of generative-AI have transformed the current labor market structure, causing some jobs to disappear while creating new jobs in the process. These challenges have prompted employees to adjust and upskill to keep pace. At the same time, the Company is faced with the challenge to acquire and retain talents keen in these technological areas.

Moreover, to be able to respond quickly to customer needs. If the Company cannot develop the necessary skills or capabilities in a timely manner, its business advantage both in current businesses and new businesses in the future will be impacted.

AIS has thus incorporated the following steps into its risk management plan:

- Recruit employees with new abilities that meet the needs of the Company and develop the necessary skills or capabilities that can be applied in new businesses in the future.
- Collaborate with world-class institutions that have specific expertise to lay the foundations for developing the requisite knowledge and prepare high-potential employees for the digital business age to ensure readiness for emerging risks in the digital era.
- Plan a succession plan with a clear Career Model and open up various opportunities for growth in the organization.
- Create an organizational culture towards the digital era with agility, capability, continuous self-improvement and ethics [FIT FUN FAIR].

## Supply Chain Risk

The Company sources its network equipment and maintenance services from a limited number of vendors/suppliers available, mainly from China and European countries. In general, telecommunication service providers tend to use only 1-2 equipment vendors to ensure technology compatibility for nationwide service as well as proper maintenance service. During the past few years, an increased tension caused by public policy and trade disputes between the People's Republic of China and the United States of America. If those vendors/suppliers are unable to deliver the network equipment, it may affect the network expansion plan.

AIS has thus incorporated the following steps into its risk management plan:

- Apply a multi-vendor purchasing policy for major equipment and services to prevent risk of rely on a single supplier.
- Establish an approved vendor/supplier list of vendors/suppliers that pass the Company's quality standards [Multi-vendor].
- Maintain the equipment and spare parts inventory at a suitable level in order to avoid shortages.
- Engage in a long-term contract (Frame Contract) with main vendors/service suppliers.
- Explore new technologies to reduce dependence on a particular equipment.

### Risk from Major Network Failure or Interruption to Important Systems

Telecommunications services are part of the basic infrastructure for consumers and enterprises. An uncontrollable disaster, natural disaster, or crisis event could potentially lead to the interruption of the Company's network primary operating systems and business activities, directly affecting the continuity of service delivery, Company reputation and reliability, Company revenue including additional expense to compensate customers and recovery services.



Towards ensuring the Company's continuity in delivering services to customer, AIS has set up the following steps in its risk management plan

- Set up redundancy and backup for several key operating systems required to provide service.
- Set up a system and process for monitoring the quality and operation of the network and resolve problems in a timely manner.
- Schedule maintenance plan for equipment and systems in important parts.
- Adopted an infrastructure design that reduces the potential impact from disasters e.g. applying the EIA-222C standard to telecom towers to support higher wind speeds than in recorded Thai history, raising the height of base stations based on the level of heavy flooding in the year 2011.
- Establish Business Continuity Management (BCM) policy at both the corporate and departmental levels and conduct an Annual Review and carry out exercises to practice and test the Business Continuity Plan. Moreover, AIS received ISO 22301:2012 Business Continuity Management System certification to cope with crisis situations.

## Financial Risks

### Risk from Exchange Rate Fluctuation

The Company is exposed to the risks of foreign exchange rate fluctuation due to International Roaming revenue and expenditures in foreign currencies with certain network expenditures also in foreign currencies.

AIS has thus incorporated the following steps into its risk management plan:

- To enact the exchange risk management policy to manage it through financial instruments. For example, using Forward Contracts that specify the exchange rate at the time of the contract date will apply to the future delivery of contracted services.
- Use existing foreign currency deposits (Natural Hedge) to make payments for goods and services in foreign currencies.

### Risks from the absence of a debt covenant ratio

Due to the terms of the company's loan agreement and the absence of a debt covenant ratio in conditions for debenture issuers and holders with which the company can adhere, the company could accrue an unmitigated amount of debt impacting its repayment ability. However, the company exercises caution on debt accrual, analyzing the necessity of any debt in terms of the benefit of the resulting investment, related opportunities and the generation of revenue and profit that would support long-term growth.

Analysis is also performed to appropriately plan cash flow and ensure long-term stability, to determine financial obligation repayment capabilities, and to determine the most appropriate borrowing instruments and the right cost so as to avoid impact on the company's financial status. The company has long maintained a high credit rating among leading domestic and international firms and achieved an AAA (tha) rating from Fitch Ratings and BBB+ rating from S&P Global Ratings at the end of 2023, reflecting its high capability to settle both interest and capital obligations and its strong financial standing. The company devotes importance to maintaining its credit rating in the interest of keeping capital costs at an appropriate level and long-term financial stability, prioritizing the maintenance of financial ratios that act as key indicators for credit ratings, such as Net Debt to EBITDA, above the standard of ratings firms.

## Information Technology Risk

### Risk of Data Privacy

The Company provides services to a large number of customers, both individuals and enterprises, making it essential to secure personal data and prevent risks arising from the leakage of customer personal data. In addition, risks may occur from the violation of human rights when the Company discloses such information upon request. The Company is also subject to compliance with relevant laws and regulations; for example, the Personal Data Protection Act (PDPA) and the General Data Protection Regulation (GDPR).

AIS has thus incorporated the following steps into its risk management plan:

- Set up the Data Protection Office (DPO) to monitor and coordinate with other relevant parties and ensure that the Company has proper processes with respect to the collection, use and disclosure personal data.
- Develop a Privacy Policy in accordance with relevant laws, regulations and announcements from the government.
- Develop procedures to access and manage personal data in a secure manner. Ensure proper internal controls are in place and subject to regular review.
- In case the Company has to disclose personal data to government bodies upon request, the Company will verify the legal authority of the requestor, determine the scope of the data as prescribed by law, and ensure that there is no violation of personal rights.
- In case of data leakage, undergo processes in place to handle customer complaints, including how to respond and mitigating actions.

### Risk to Information Security and Threats from Cyber-attack

The Company has rapidly developed a variety of products and services to serve customers' needs following digital era which transformed customers behaviors. While new technology and various IT systems are essential in developing and improving these products and services, the complexity in application of advanced technology also comes with the risks inherent to information technology. Such risks result from the complexity of the technology itself, gaps in the skill and knowledge levels of Company employees, the potential deficiency of the Company's own systems, and external threats or cyber-attacks. If an information security system is insufficient or incomplete, it can have a serious impact on the company, especially if important data such as the personal data of customers is compromised. This includes cyber-attacks, e.g., DDoS attacks, website phishing, malware/viruses, etc, which may cause severe business disruption.

Ensuring the effectiveness of the Company's information security, AIS regularly reviews and revises the security policy of the Company's IT system in the following ways:





- Apply suitable international standards and alignment with the Cybersecurity Act and Personal Data Protection Act.
- Extend and expand security tools to cover significant systems such as Multi Factor Authentication (MFA) for accessing information technology systems from outside the Company, expanding threat detection capabilities (Threat Hunting), emphasizing proactive threat detection focusing on reducing detection time and time to handle detected threats and applying automation in the process of detecting and responding to threats, etc.
- Enhance information security measures, e.g., by reviewing the access control procedure; maintaining a closed working environment; and building IT awareness across the entire Company.
- Enhance staff competencies related to Cybersecurity in order to operate in accordance with the standards for personal data protection, cloud security, vulnerabilities of the system and detection of threats, etc.
- Enhance cybersecurity knowledge, understanding, awareness to employees and executives at all levels.
- Review and improve cyberthreat response processes to align with the global NIST Cybersecurity Framework and integrating with organization's crisis response plan.
- Conduct Cyber Drill every year covering relevant employees and executives.

## Emerging Risks

### Climate Change Risk

Climate change is an issue that has increasingly gained attention from the global community. As one of the top 10 countries that were most affected by extreme weather events, Thailand has joined forces with the international community to tackle the problem, announcing a plan to pursue a net-zero carbon emissions target by 2065. The development has made climate change an emerging risk, prompting the Thai government to adjust policies. It is now in the process of drafting climate change-related laws and revising the national energy plan to prepare for operations in line with the target. In addition, the failure of climate-change adaptation has been discussed

in the global community, resulting in the need for adjusting the plans to tackle increased risks from climate change.

AIS business operations are likely to be affected by physical risks and transition risks in 3 areas as follows:

1. Natural disasters which may damage the network infrastructure and devices can increase operating costs from leveling up preventive measures against damage and maintenance. Also, transportation and production may be impacted by supply chain disruption.
2. The changing regulations and government policy that tend to control greenhouse gas emissions and can put upward pressure on the operating and management costs may prompt AIS to adjust its way of thinking and create innovations that enhance energy efficiency and reduce greenhouse gas emissions in compliance with future legislature.
3. The changing behaviors of consumers to become more eco-conscious bring both challenges and opportunities for AIS, demanding the Company to adjust business strategies and corporate image to align with such development. This can generate new sources of revenue from low carbon products and services for enterprise clients looking for digital services that help reduce greenhouse gas emissions and for general customers opting for companies with concern for the environment.

AIS has thus incorporated the following steps into its risk management plan:

- Changing the targets to be aligned with the global and national trends. Aiming to be a part of global community to tackle with climate change, AIS has thus adjusted the Company's environmental targets to be more challenging by adopting the Science-based Target Initiative (SBTi) which stimulates the business value chain to streamline its operations to be more environmentally friendly.
- Promoting Energy Efficiency by studying customers' usage behavior and using power saving features to properly manage network channels to help reduce energy consumption and GHG emissions.
- Alternative Energy Use by installing solar panels at base stations, data centers and switching centers. Moreover, AIS has teamed with business partners with expertise in alternative energy to plan and accelerate

the proportion of alternative energy use for lower operating and management costs.

- Preparation for climate adaptation. We assess climate-related risks through scenario analysis and formulate plans for new site construction such as elevating the Mobile Base Station (BTS) and build flood wall in flood-prone areas.
- Low-Carbon Products and Services Development and Customer Engagement by developing smart solution services to enable corporate clients to enhance energy efficiency as a means to reduce GHG emissions such as Smart factory and Smart property & building. Furthermore, AIS encourages customers to switch from mailing bills to E-billing and promotes my AIS application. This effort helps reduce paper usage and the need for travel.

### Geopolitical and Geoeconomic Risks

Major geopolitical events such as Israeli-Palestinian conflict, Russia-Ukraine conflict, U.S.-China strategic competition especially through international trade barriers implemented through policies, and terrorist attacks, among other things, are creating shocks on global markets, and subsequently the overall well-being of our domestic economic conditions. These factors result in uncertainty in the macroeconomic environment including consumer and business demand and supply, purchasing power, employment, and tourism. The disruption of supply and demand has both effects toward revenue and cost structure for industrial and service sectors including the telecommunication industry.

The geopolitical and geoeconomic risks may have the following effects toward our business:

- The raising cost of living and the purchasing power of the customers especially in prepaid which holds a majority portion of the subscribers could lower the ability to generate revenue growth.
- The increased in operating cost from heighten energy price and inflation including the disruption in supply and demand could impact the ability to generate profit of the company and may also delay investments in new businesses. These factors may reduce the competitiveness in the long term.





We are incorporating the following steps as our risk mitigation:

- Provide products and services in a variety of price levels and packages for consumers to choose according to their purchasing power, including products and services that are targeted to specific customer groups to meet their needs.
- Provide various distribution channels for customer to easily access including shops, online channel and agents.
- Enhance the features of myAIS application to include other services that meet consumer's lifestyle and several use cases.
- Regularly review the allocation of capital and cost structure among various businesses. Encourage business units to revisit operating model and do transformation programs to improve cost structure.

### Potential risks from acquisition of Triple T Broadband Public Company Limited (TTTBB) and stake in Jasmin Broadband Internet Infrastructure Fund (JASIF)

In line with strategy to grow AIS broadband business and improve efficiency of the fiber network in Thailand, AIS acquired TTTBB and a 19% stake in JASIF. The objectives include providing a wide array of products and enhancing service delivery to meet the extensive needs of customers. This initiative aims to offer consumers faster and higher-quality internet services with extended coverage, particularly in suburban and provincial areas. Additionally, it contributes to minimizing the environmental impact by reducing unnecessary fiber cable installations. Furthermore, this strategic move is expected to add value to the business and generate stable cash flow for the Company in the long run.

Nonetheless, the acquisition of TTTBB may introduce challenges during the integration of two companies with differing working styles. This encompasses the joint development of operational strategies, alignment of operational processes, and the retention of talent to promote confidence, understanding, and morale among employees post-merger. Managing relationships with business partners, suppliers, and dealers also remains a crucial aspect of navigating through this integration process. Other than

this, financial challenges may arise such as the loan undertake for the acquisition may potentially impacting the Company's leverage ratio in the short term, the increasing cost for the integration, and the consolidation of TTTBB's operating results that may affect investor confidence as the anticipated returns post-merger may not meet their expectations.

The acquisition of a 19% stake in JASIF, an infrastructure fund, carries the potential risk of market price volatility which could result in a risk of asset impairment due to a deress in market value, despite the Company careful consideration of the returns before the acquisition. To address these risks, the Company has implemented the following measures:

- Establish clear organizational structure and appoint Chief Executive Officer for the broadband business (CEO-BB) to define and supervise the overall strategy for the broadband business, ensuring ongoing and sustainable growth, and to oversees the integration activities are aligned with the set objectives.
- Establish a dedicated team and assign a responsible individual to oversee integration activities, monitoring execution against the plan and providing weekly progress reports to senior executives.
- Develop a financial plan and manage cash flow to use as a source of capital and set forth a payment mechanism to set aside some funds for due payments.
- Maintain continuous communication with investors to build clear understanding on the impact from the acquisition including impact to the financial statements, the integration process, and reassure that the consolidation does not affect the Company's dividend policy and the ability to pay its dividends.
- Periodically engage with employees and stakeholders throughout the business value chain to foster understanding and garner support, ensuring the smooth progression of all processes.
- The Company considers the impairment risk to be minimal as the cash flow generated from the investment in the infrastructure fund exceeds the value of investment cost. Additionally, the Company is confident in the continued strengthening of the TTTBB broadband business, resulting in the stable cash flow of the fund.

Remark: JASIF has been renamed to 3BB Internet Infrastructure Fund (3BBIF) on 20 February 2024.