



THE FUTURE IS YOURS

ANNUAL REPORT 2020 | ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED

Operational Highlight

5G AIS AS A DIGITAL LIFE SERVICE PROVIDER

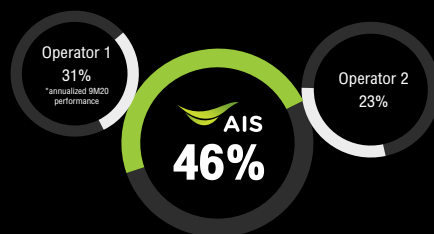
through mobile, fixed broadband and digital services

Mobile business



Maintain leadership in mobile business with a trusted band

No 1. network quality



Largest mobile operator with 41mn subscribers

Subscribers market share 46%



First 5G in Thailand
since February 2020

5G

Service coverage in strategic locations
77 provinces

Fixed broadband business



AIS Fibre
Expanding subscribers market share to **12%**



AIS Fibre
27% net additional subscribers market share with **+299,300** subscribers



Leadership in fiber optic technology
Cover 77 provinces
100% Fiber optic



Continued to grow subscriber base
over 1.3mn household



88% of AIS Fibre subscribers
are also mobile customers

Digital services



Cloud and data center

AIS and CSL combined to offer one-stop ICT service addressing enterprise clients' requirement.

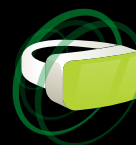


AIS jointly developed NB-IoT innovation nationwide connecting **over 935,000 devices**

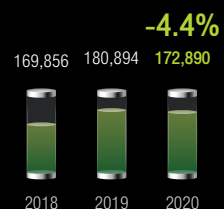


Video platform

over 3 million active users
with free and paid contents including TV, movie, music and games



Financial Highlight



Total revenue (Bt mn)

Reflecting impact of COVID-19 as well as market competition

Mobile business

As a result of prolonged weak economy, price competition and revenue loss from traveler segment

118,082 (Bt mn)

-6.5% Decrease from 2019

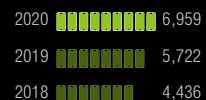


Fixed broadband business

Driven by solid subscriber growth following work-from-home demand

6,959 (Bt mn)

+22% Increase from 2019



Enterprise & Other businesses

Rising demand for enterprise non-mobile following digitalization trend

4,552 (Bt mn)

+1.0% Increase from 2019



EBITDA and Margin*

(Bt mn, %)

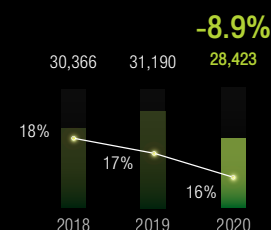
Impact from decline in revenue offset by cost control



Net Profit and Margin*

(Bt mn, %)

From increased D&A due to spectrum acquisition and network investment



Dividend Payment

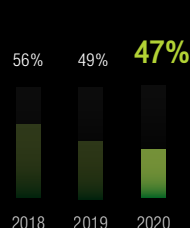
(Bt/share)

Remained payout ratio at least 70% of consolidated net profit



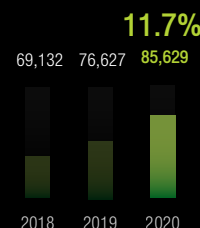
Return on Equity*

Slightly decreased from covid-19 but remained higher than industry's average



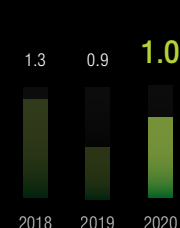
Operating Cash Flow

Improved mainly from the reclassification of lease liabilities paid



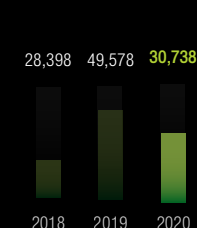
Net Debt to EBITDA*

Slightly increased from lower EBITDA



Free Cash Flow

Decreased from network expansion and spectrum payment



*Based on financial performance excluding the effect from TFRS16 adoption

Key development towards sustainable growth

Product and Services to meet digital lifestyle

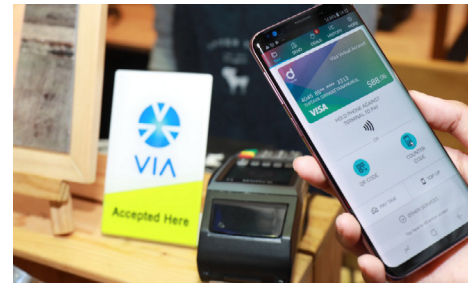
2018

- + Launched “**NU Mobile**”, a new fully online SIM to serve digital users and to expand the customer base to teenagers preferring online service.



- + Acquired **CS Loxinfo (CSL)** to serve end-to-end digital solutions such as cloud service, data center, and managed service as well as complete digital consultancy service to enhance enterprise capability.
- + Invested in **Rabbit Line Pay (RLP)** joint venture, holding 33.33% of equity stake, a mobile payment platform to support cashless society.

- + Launched intercountry payment platform “**VIA**” by **Singtel Dash** and Rabbit LINE Pay with Collaboration with **Singtel** and **Kasikorn Bank**, to facilitate travelers to make an electronic payment without a currency exchange transaction.



2019

- + Launched **AIS Insurance Service**, an online insurance service that allows customers to indicate travel information and coverage duration. The services provide by an AIS affiliate (ADD) authorized by the Office of the Insurance Commission.
- + Renewed business strategy of **CS Loxinfo** and renamed to **CSL** while introducing the 3Ss strategy; 1. Data Center & Cloud Solutions 2. Managed Services 3. System Integration for enterprise business operation.



- + Launched **AIS eBiz Shop**, an online store for AIS Business products and services to support enterprise and SME.



- + Expand electronic payment service on “**VIA**” to Japan under cooperating with **Singtel**



- + Introduced **NB-IoT Motor Tracker** solution for auto insurance with Thai Vivat Plc., the solution allows customers to control and activate auto insurance by themselves and pay premium based on actual usage.



2020

- + First operator in Thailand that officially launched **5G** using 2600MHz spectrum band.



- + Invested in Digital Gaming international PTE, in a joint venture with Singtel and SK telecom to provide aggregated gaming contents using artificial intelligence (AI) technology and provide access to esports contents.



- + Established a joint venture with **Saha Pathana** inter-Holding Public Company Limited, to provide fiber optic network, ICT infrastructure, and 5G solution to improve operational efficiency of businesses in a 7,255 rais of SPI industrial park.



- + Cooperated with **Amata Corporation** Pcl. in bringing digital infrastructure such as 5G technology and fiber optic to support Smart City in EEC area.

Network innovation

2018

- Officially signed a **roaming agreement with TOT** on 2x15 MHz of 2100MHz spectrum, serving the proliferation of 4G and 3G data usage.



- **Acquired 2x5 MHz of 1800MHz** spectrum license resulting in 15-30% speed increase for 4G data users.



- Expanded **AIS NEXT G** network and feature to be comestible with both Android and IOS. Also, Next G network can render upto 1Gbps of mobile internet speed.



- Collaborated with **Nokia, Huawei, and ZTE** to test 5G technology on 26.5-27.5GHz spectrum.



- Expanded NB-IoT network and platform across the country by collaborating with partners from various industries such as Property Perfect and Samsung to develop Smart Home solutions.



2019

- + **Tested 5G technology** at Samyan Mid Town for trial in real environment with 3D hologram technology, long distance 3D image projection, 5G VDO Calls, 5G Remote Controlled Vehicles, 5G Connected Drones, 5G Robotics and etc.



- + Launched a test of **5G in the Central Region** and ran a practical test, opening the trial to developers, educational institutes and partners in the Northeast region to co-develop 5G related technology.



- + Signed an MOU with **Huawei, Nokia and ZTE** to jointly study, exchange knowledge and experiment with 5G technology for industrial developments and enhancing quality of life for consumers.

- + Secured a license in the **700Mhz frequency** band (2 x 10Mhz in width) for 15 years from reception worth a total 17,584 million Baht.



2020

- + Cooperated with **SCG and Prince of Songkla University** to develop prototype unmanned forklift remotely operated with 5G. The development can also extend to employee remote control training to improve safety in the operation with high risk.



- + Signed an MOU with **U-Tapao Airport**, bringing 5G network to develop passenger management solutions and use artificial intelligence (AI) robots to provide necessary information as well as interactively response and guidance to service points for passengers.



- + Won the 5G auction with **Best-in-class 5G** spectrum including low-band: 700 MHz (2x5 MHz), mid-band: 2600 MHz (100 MHz) and high-band 26 GHz (1200 MHz) with a total price worth Bt42,060 mn.
- + Launched 5G NSA (non standalone) service on February 2020 and launched 5G SA (standalone) on July 2020 in cooperation with Huawei. AIS is the world's first operator to provide 5G service on standalone network.



Expanding opportunities through social and environment development

2018

- Applied Smart Terminal Technology to improve transportation system in Eastern Economic Corridor (EEC). With **U-Tapao** application, U-Tapao Airport can now manage flight and airport information digitally such as using Video Analytics technology for Face recognition and Heat map analytics.



2019



- Established the **Kaset Farm Suk** technology learning center to serve as a source of knowledge on Smart Farmer approaches and use of the IoT or Intelligent Farm (iFarm) platform to better efficiently, accurately and conveniently manage farms.

- Worked with public and private partners to organize **"Green Paholyothin"**, a campaign on collecting e-Waste that promoted for the separation and proper disposal of E-Waste.

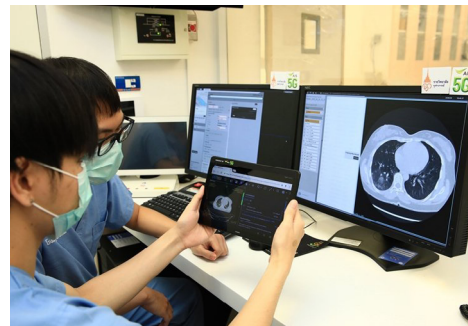


- Organized the **"Aun Jai CYBER"** activity, inviting teachers from over 150 schools to join training to enhance 8 skills of DQ (Digital Quotient) for students.



2020

- Developed and delivered 23 robots with 5G technology to 22 hospitals such as Chula hospital, Thai Red Cross, Rajavithi hospital, and Siriraj hospital. The robots use 5G technology to increase speed for data processing and examination as well as to reduce risk of spreading COVID-19.



- Cooperated with Chulabhorn Royal Academy in developing 5G Total Telemedicine Solution to support medical services such as a nursing robot with AI processing on 5G, online doctor's consultancy, and Smart Class room supported by 5G.

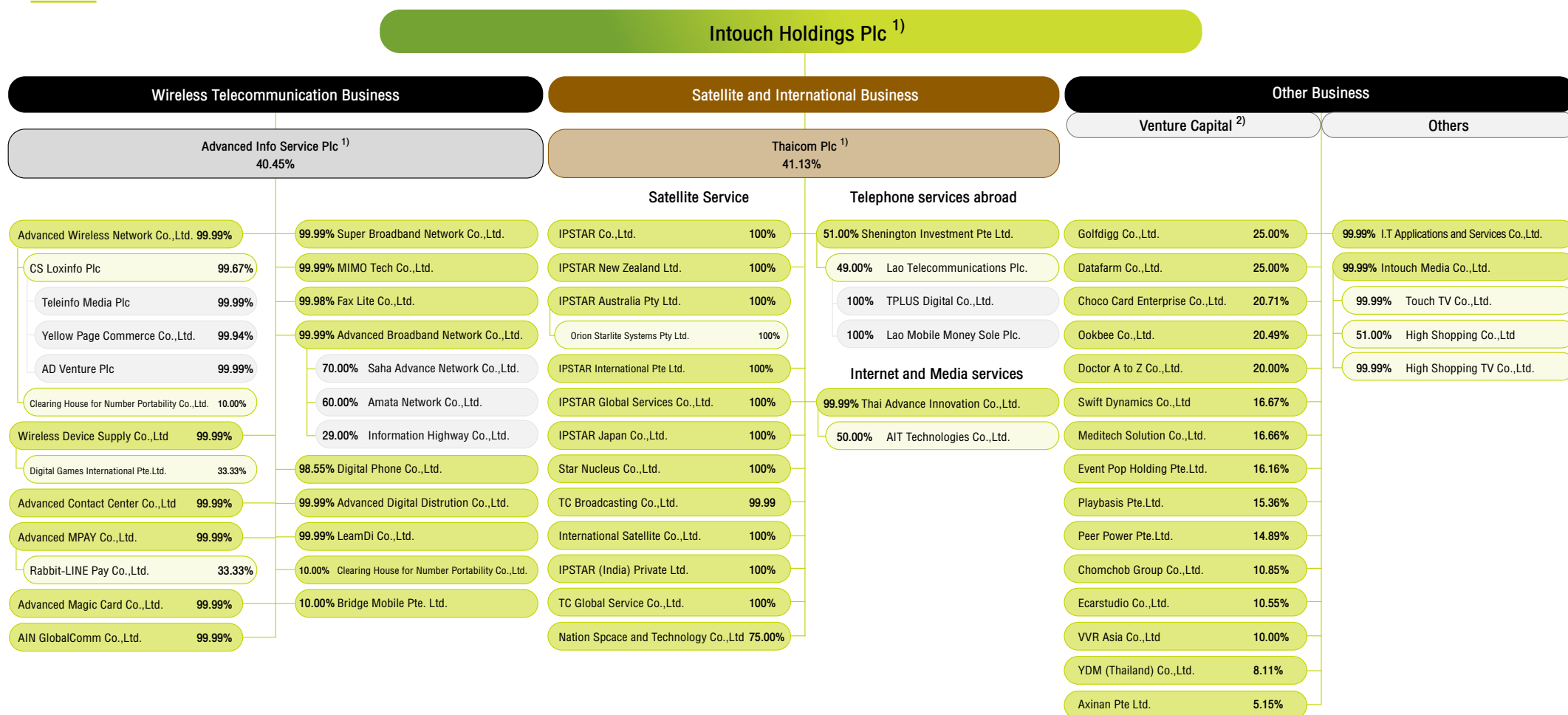
- Collaborating with the Faculty of Medicine, Siriraj Hospital – Faculty of Engineering, Mahidol University to install 5G CPE for distributing 5G signal to enhance the efficiency of **“Siriraj Mobile Stroke Unit”**. This will increase success rate for treatment immediately and decrease loss.



- Expanded “Green Phaholyothin” project from 2019 by growing **e-Waste** collection points to 2,000 locations nationwide. Also, expanding collaboration with government and private company such as Thailand Post, Central Group, and TRBN (Thailand Responsible Business Network) to increase collection point and disposing them properly.

Investment structure of AIS group

Investment structure of the mother company (INTUCH) as of 31 December 2020



Remarks :

1) Listed Company on the Stock Exchange of Thailand

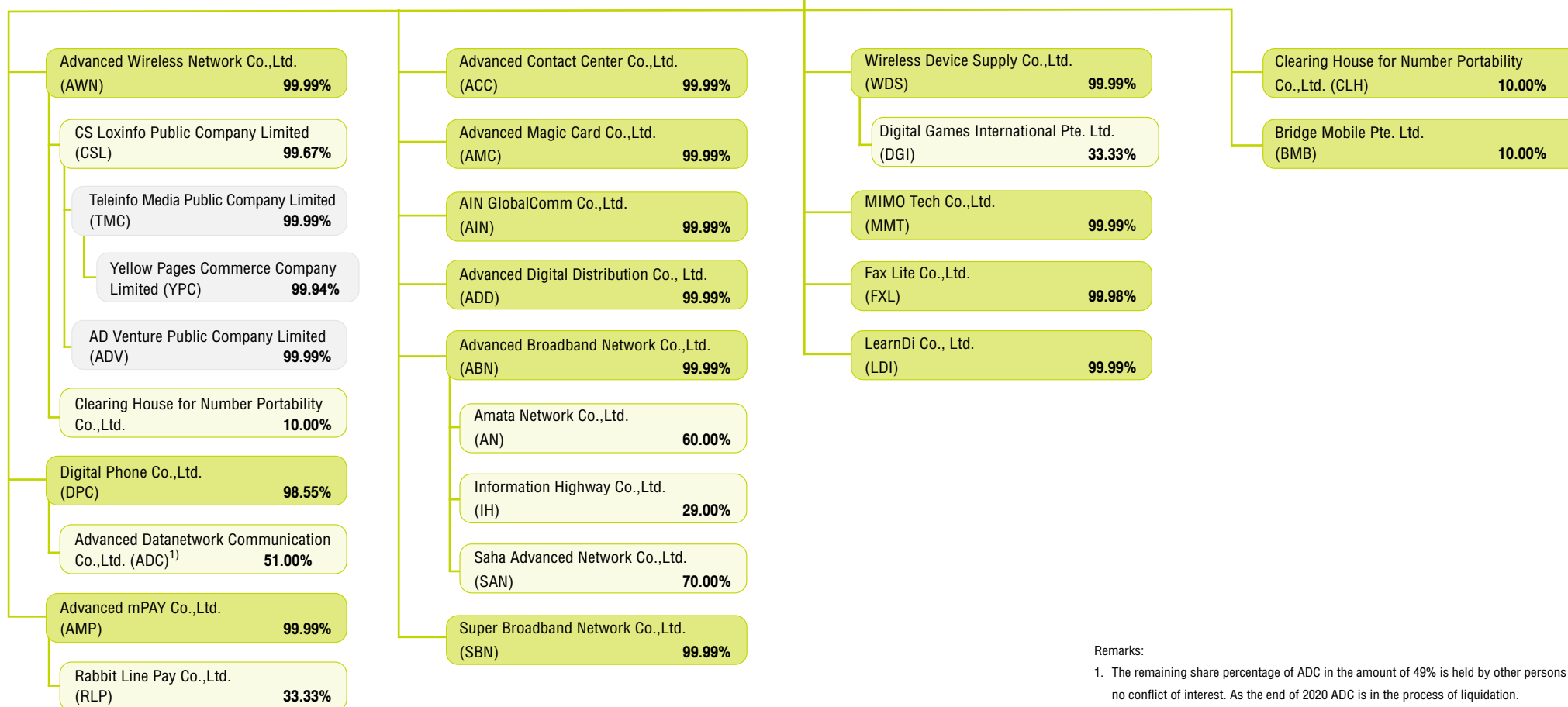
2) Excluded investment in debt security

3) INTUCH has a stake of 52.92% in ITV. which ceased operations, and there are ongoing disputes with the Permanent Secretary of the Office of the Prime Minister.

Investment structure of AIS group 31 December 2020

Advanced Info Service Public Company Limited

Register capital Baht 4,997mn | Paid-up Baht 2,974mn



Remarks:

- The remaining share percentage of ADC in the amount of 49% is held by other persons with no conflict of interest. As the end of 2020 ADC is in the process of liquidation.
- Subsidiaries, Associated companies, Other investments

Securities Information

Registered capital and Paid up capital

Registered Capital	:	4,997,459,800 Baht divided by Common shares 4,997,459,800 shares and par 1 Baht per share
Paid up Capital	:	2,973,554,313 Baht divided by Common shares 2,973,554,313 shares and par 1 Baht per share

(a) Top ten shareholders as of 20 August 2020, the latest book closing date for the right to receive dividend, are as follow:

Name	No. of shares held	% of shareholding
1. INTOUCH HOLDINGS PLC	1,202,712,000	40.45
2. SINGTEL STRATEGIC INVESTMENTS PTE LTD	693,359,000	23.32
3. THAI NVDR CO.,LTD. ¹⁾	205,042,850	6.90
4. SOCIAL SECURITIES OFFICE	78,504,300	2.64
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	74,506,231	2.51
6. STATE STREET BANK EUROPE LIMITED	54,536,602	1.83
7. GIC PRIVATE LIMITED	23,162,400	0.78
8. THE BANK OF NEW YORK MELLON	17,781,552	0.60
9. STATE STREET BANK AND TRUST COMPANY	17,438,843	0.59
10. BUALUANG LONG-TERM EQUITY FUND	13,706,700	0.46
TOTAL	2,380,750,478	80.06

Note: 1) The information of Thai NVDR Co., Ltd. Can be found the SET website (www.set.or.th). As of 20 August 2020, the shareholders of Thai NVDR are as follows:

Name	Number of NVDR units	Percentage of investment
1. STATE STREET BANK AND TRUST COMPANY	30,803,680	1.04
2. STATE STREET EUROPE LIMITED	28,225,929	0.95
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	28,212,019	0.95
Total	87,241,628	2.93

(b) Major shareholder whose behavior can influence when determining policy or handling operation, are

1. Intouch Holdings Plc holds 40.45% in AIS. Major shareholders of Intouch Holdings Plc. are as follows:

Name	Number of NVDR units	Percentage of investment
1. SINGTEL GLOBAL INVESTMENT PTE LTD ¹⁾	673,348,264	21.00
2. THAI NVDR COMPANY LIMITED ²⁾	517,091,460	16.13
3. GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED ³⁾	256,287,400	7.99 ⁴⁾
4. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	166,753,460	5.20
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	75,690,674	2.36
6. SOCIAL SECURITIES OFFICE	42,600,100	1.33
7. THE BANK OF NEW YORK MELLON	31,483,300	0.98
8. STATE STREET EUROPE LIMITED	31,364,584	0.98
9. MR.PERMSAK KENGMANA	30,023,100	0.94
10. KRUNGSRI DIVIDEND STOCK LTF	26,230,400	0.82

Remarks:

1) Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd., of which Temasek Holding Pte.Ltd. holds 49.81% (Source: Singapore Telecommunication Ltd.'s Annual Report for 2020)

2) The information of Thai NVDR Co., Ltd. Can be found the SET website (www.set.or.th).

3) & 4) Gulf Energy Development Plc. (GULF) is a holding company listed on the Stock Exchange of Thailand (the SET). GULF submitted Form 246-2 to the SEC that it held 480,976,414 of the Company's ordinary shares as of 28 January 2021, representing 15% of the Company's paid-up capital.

2. Singtel Strategic Investments Pte. Ltd. holds 23.32% directly in AIS. The shareholder of Singtel Strategic Investments Pte Ltd is

Name	% of shareholding
Singtel Asian Investments Pte. Ltd. *	100.00

* Singtel Asian Investments Pte Ltd is 100% hold by Singapore Telecommunication Limited (Source: Accounting and Corporate Regulatory Authority (ARCA), Singapore as of 31 December 2020)

(c) Agreements between major shareholders and the Company concerning topics which affect the issuance of securities or management of the Company's operations.

- None –

Relationship with the major shareholders

The major shareholders of AIS are Intouch Holdings Plc. and Singtel Strategic Investments Pte. Ltd. Intouch Holdings operates its business by investing in the telecommunications, media and technology (TMT) sector through which it acts as a holding company and a venture capital firm. Singtel Strategic is a global telecommunications investor. Both major shareholders maintain their role in setting policy and directions for AIS through the Board of Directors.

Singtel has a long history in the telecommunications industry and has been active in many markets, especially in the Asia region, which has helped broaden AIS' perspective and stay abreast of the key industry movement globally. Several businesses within Singtel also present opportunities for mutual support with AIS, they include digital services for consumers and corporate clients from cross-border electronic wallet platform

VIA as well as cyber security solutions. These services require cooperation at the regional level and thus allow for mutual strengthening and the expansion of customer bases.

Intouch Holdings' corporate venture capital is invested through the InVent program, which focuses on startups involving telecommunications, media, technology and digital services. The venture capital in some cases has supported the AIS The Startup program, an incubator that supports and advises startups and provides them the opportunity for growth abroad with aid from both Intouch and Singtel.

Dividend Policy

The Company aims to pay dividend at least 70% of consolidated net profit twice a year. The first of which shall be paid as interim as a result of operation during the first half of the year as approved by the Board of Directors and will be reported to the next general meeting of shareholders whereas the remaining thereof as annual payment which shall be approved by shareholders' meeting as a result of operation in the second half year.

As regards each subsidiary, dividend payment shall be based upon its operating results, financial conditions and other material factors. In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing operations.

Historical Dividend in 5 consecutive years is as follows:

Historical Dividend	2016	2017	2018	2019	2020
Total Dividend Payment (Baht per share)	10.08	7.08	7.08	7.34	6.92
1. Dividend from the first-half-year operation	5.79	3.51	3.78	3.78	3.24
2. Dividend from the second-half-year operation	4.29	3.57	3.30	3.56	3.68
Earnings per share	10.31	10.12	9.98	10.49	9.23
Dividend Payout Ratio	98%	70%	71%	70%	75%

Note: 2016 information is based on former dividend policy 100% of net profit, while 2017 - 2020 dividend payout rate is based on current policy 70% of net profit.

Debenture

As of 31 December 2020, the Company has a total of seven outstanding debentures under Advanced Wireless Network Limited Company. The debentures are traded on Thai Bond Market Association with terms between 7 to 10 years, which will due between 2021 to 2027. The debentures' fix annual interest rate ranges between 2.51% to 4.94% and the outstanding amount is 32,414 million Baht, which reduced from the end of 2019 by 7,789 million Baht from repayment. The debentures received a rating of AA+(tha) from 2020 credit rating review held on 16 October 2019 by Fitch Ratings indicating high quality investment with very high credit quality and very low credit risk.

Refer to note to financial statement no.18

Bill of Exchange

There is no outstanding bill of exchange as of 31 December 2020