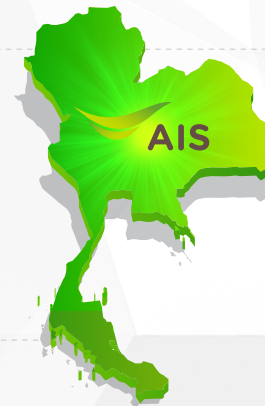# Business and Performance

1

Business Overview

Over the course of 32 years of providing telecommunication infrastructure to Thai society, starting 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), the government agency regulating broadcasting and telecommunication, was established and tasked with granting spectrum licenses. The licensing scheme, which is a major turning point for the telecommunications industry in Thailand, supports fair competition as well as the development of new technologies.

AIS remains committed to its vision of

"To become the most-admired Digital Life Service Provider in Thailand"

through the following missions:

- Deliver superior products and services that enrich people's daily lives and improve enterprise capabilities and efficiency.
- Enhance customer intimacy through the best customer experience.
- Drive intrapreneurship and employees' professionalism, and promote a positive, lively and agile work culture.
- Build win-win growth for all stakeholders.

Digital Life Service Provider

Mobile Business

Fixed Broadband

Digital Service

Enterprise Business

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

AIS Transformation from Digital Life Service Provider Towards Cognitive Tech-Co

Delivering the excellent digital experience with our four core businesses

Mobile Communication Service

With 5G, 4G, 3G and 2G technology under the brand "AIS" provides a monthly subscription service, top-up service as well as international calls and roaming with network partners in over 240 destinations worldwide.

Fixed Broadband Service

Provides high-speed home internet utilizing FTTx fiber optics under the brand "AIS Fibre".

Enterprise Business service

Offers cloud service, data center, cyber security, Internet of Things (IoT), and ICT solutions to corporate clients in collaboration with multiple partners.

Digital Service

Focuses on creating value-added digital services and serving as a new revenue source in the medium and long term in anticipation of a change in consumer behaviors and technology.

In 2022, AIS's total assets were valued at Baht 337,044 million with a market capitalization of Baht 579,971 million, ranked 7th on the Stock Exchange of Thailand.

Chairman and CEO Message

Company Overview

Business

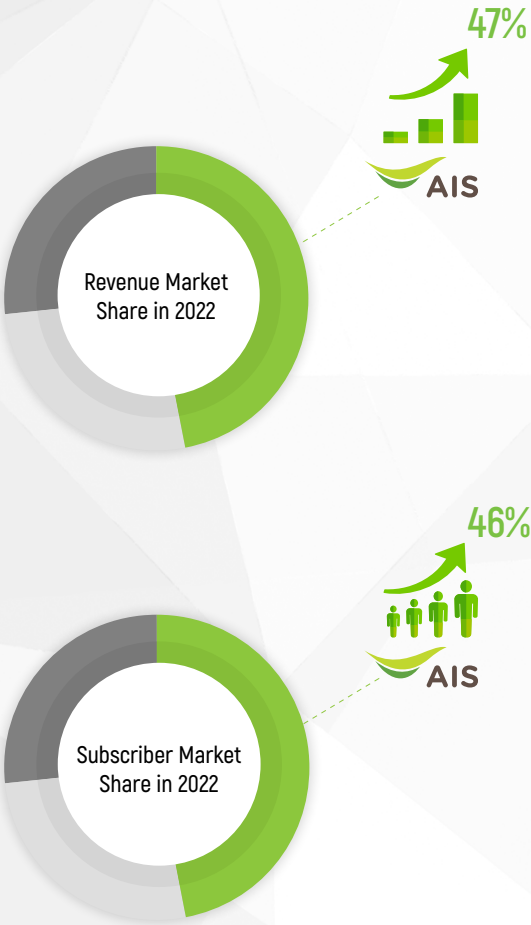Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Leading the Mobile Market

47%

Revenue Market Share in 2022

46%

Subscriber Market Share in 2022

"Other operators are DTAC and TrueMove"

As of the end of 2022, AIS maintained its position as the leading mobile operator in Thailand, with a revenue market share of 47%, and a total of 46.0 million subscribers nationwide. The mobile communication service revenue accounted around 90% of total service revenue. AIS provides quality services on 5G, 4G, 3G and 2G networks, using frequency bands of 26 GHz and 2600, 2100, 1800, 900, and 700 MHz for a total of 1450 MHz (2x75 MHz on FDD technology and 1300 MHz on TDD technology). The 1420 MHz is under the license granted by NBTC and another 2x15 MHz is under a TOT partnership agreement. AIS's mobile network currently covers over 98% of the country's population. With the highest spectrum holding among peers, AIS remains the industry leader in both network quality and services.

Furthermore, AIS has maintained its position as the leader in offering 5G-based services in Thailand. Following the official launch in 2020, the Company has continued to expand its 5G network to cover 77 provinces and reach 85% of Thailand's population as at year end 2022 backed by most spectrums in the industry. AIS has been primed to cope with the fast-growing 5G market and deliver a variety of 5G-based experience to address customer demand, both from general customers and corporate clients. Currently, AIS has a 5G customer base of over 6.8 million.

Growing in the Fixed Broadband Market

AIS Fibre
16%

Subscriber Market Share in 2022
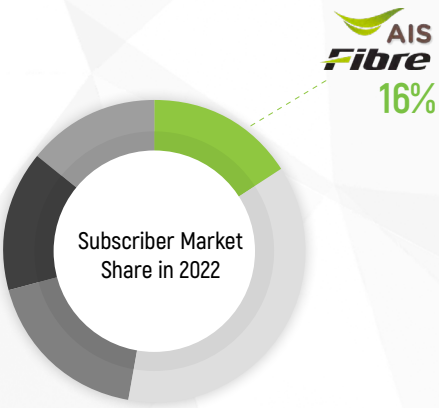
"The other fixed broadband operators include TRUE, NT, 3BB and others"

AIS started its fixed broadband business under the brand "AIS Fibre"in 2015 with the intent to increase a new revenue source, building on the existing fiber network for its mobile business and the mobile customer base. Currently, AIS Fibre is available in 77 cities, covering 8.8 million households. AIS Fibre has penetrated the market using its strength in providing FTTH technology to connect households to the internet and is ready to support existing ADSL users wishing to upgrade to higher quality technology and a superior speed of up to 2 Gbps. Fixed broadband revenue in 2022 accounted for 8% of total service revenue. At present, the total number of subscribers is 2.2 million accounting for more than 16% of the fixed broadband subscriber market share.

Enhancing Potential in the Corporate Client Business

Building on the enterprise data service which offers mobile communication service and internet links to corporate clients, AIS has expanded more service to support digital transformation to small-, medium-, and large-sized businesses. Its end-to-end service encompasses cloud service, data center, cyber security, Internet of Things (IoT), and ICT solutions (CCIID). In 2018, AIS acquired CS Lox Info Public Company Limited to strengthen its capabilities to provide integrated service to enterprise clients. For 2022, revenue from the Corporate Client Business (excluding mobile communication revenue) accounted for 3.9% of total service revenue. The distinctive features of the 5G technology which includes high speed, low latency, and multi-device supportive features coupled with the network capabilities and partnership collaborations have enabled AIS to use this advanced technology to support the services for the industrial sector efficiently. Various industries focus include smart industry solution for manufacturing, focus cases in transportation and logistics, smart property, and retails. Currently, AIS offers a variety of 5G-enabled services such as 5G Fixed Wireless Access, 5G network slicing, and 5G private network among others.

Building on Core Businesses with Digital Services

The digital service business involves the development of a diverse range of services incorporating digital technology encompassing networks, platforms, and digital solutions to deliver digital services to customers and corporate clients through the collaboration and development of a connected business environment with partners to grow together. AIS' digital service focuses on three areas, namely, video platform, mobile money, and other platforms such as digital marketing and insurance. The digital service business is expected to play a key role in creating a new revenue source for AIS in the future apart from revenue from data connection and mobile internet fees. This will enable AIS to become an integrated service provider by converging products and services from its four core businesses.

Operating Under Licenses Regulated by the NBTC

The majority of 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 a subsidiary, was granted a telecommunications business license, 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 auction.

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

Nature of Businesses

Revenue Structure by Service Type

	2020		2021		2022	
	Million Bt	Percent	Million Bt	Percent	Million Bt	Percent
1. Service revenue	**143,316**	**82.9**	**144,791**	**79.8**	**146,009**	**78.7**
1.1 Mobile communication business revenue	118,082	68.3	117,244	64.7	116,696	62.9
1.2 Fixed broadband business revenue	6,959	4.0	8,436	4.7	10,064	5.4
1.3 Other services revenue	4,552	2.6	5,291	2.9	6,274	3.4
1.4 Interconnection (IC) and equipment rental revenue	13,722	7.9	13,820	7.6	12,976	7.0
2. SIM and device sales revenue	**29,574**	**17.1**	**36,542**	**20.2**	**39,476**	**21.3**
Total revenue	**172,890**	**100.0**	**181,333**	**100.0**	**185,485**	**100.0**

Type of products and services

AIS's core business can be divided into four areas as follows.

Mobile Business

- Prepaid and Postpaid mobile communication services on 5G, 4G, 3G, and 2G networks
- Mobile phone and IT related accessories sales
- International roaming and international calls

Fixed Broadband Business

Fibre broadband internet through fiber optic technology for household and SME customers

Enterprise Business

- Data network services for corporate customers
- Cloud computing and data centers for corporate customers
- Cybersecurity services
- Internet of Things or IoT
- ICT solutions
- AIS 5G for businesses
- Services for SMEs

Digital Service Business

- Video platform and contents
- Mobile financial services
- Digital insurance platform service
- Other Digital platforms

Mobile communication business

AIS provides mobile telecommunication services on 5G, 4G, 3G, and 2G networks under the telecommunications spectrum licenses granted by the NBTC. AIS currently holds a total of 1,450 MHz spectrum bandwidth, comprising 26 GHz and 2600, 2100, 1800, 900, and 700 MHz.

At present, AIS's networks reach over 98% of the Thai population. In 2022, AIS continually extended its 5G network covering over 85% of the population and more than 99% of those in Bangkok. AIS also launched its 5G service in key areas across the 77 provinces of Thailand, including over 99% of the Eastern Economic Corridor (EEC), in accordance with the 2600 MHz license conditions stipulated by the NBTC.

AIS offers both mobile voice and data services under prepaid and postpaid plans. At present, AIS has a total customer base of more than 46.0 million subscribers, divided into 13 million postpaid subscribers and 33 prepaid subscribers. In addition, AIS has launch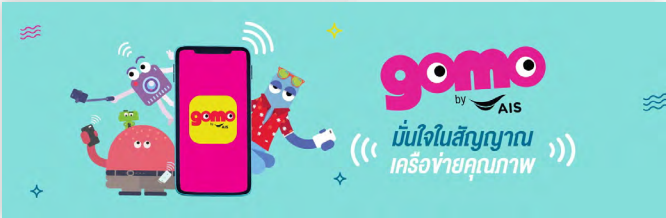ed a comprehensive online postpaid service under the 'GOMO' brand to penetrate the younger generation segment looking for services provided through online channels. More information on GOMO is available at ⊘ https://gomo.th

Home broadband internet business

AIS started its fixed broadband business under the brand "AIS Fibre" in 2015, using fiber optic technology. Building on the existing best fiber network for its mobile business, AIS Fibre network has grown exponentially. In 2022, AIS Fibre covered 8.8 million households in 77 provinces across Thailand with more than 2.2 million subscribers. The Company was committed to becoming the leader in service quality by differentiating itself from competing businesses under the concept "Elevating the service quality to offer reliable internet connection with 24-hour access". To maintain the standard of "Quick service response time within 24 hours", AIS was relentless in taking good care of home internet customers encompassing three underlining standard dimensions: 1) solving customer service problems within 24 hours 2) installing home broadband internet within 24 hours, and 3) scheduling a support appointment to deliver a seamless experience and convenience for customers. The AI-Powered Smart Router coupled with VIP services was offered to deliver the best service to meet every application service by managing an appropriate WiFi quota for the application of each family member. Added to this was the introduction of a high performance router that can accommodate up to 2Gbps speeds for the first time in Thailand. Apart

from the home internet service via fibre optic, AIS Fibre has also provided world-class content, enabling customers to watch movies, sports, and other entertainments via AIS PLAYBOX. AIS aims to offer a complete range of services including home internet, mobile internet, access to world-class content, and the use of unlimited AIS Super WiFi. Visit ⊘ https://www.ais. th/fibre/en/ for further details.

Enterprise business

⊙ Data network services for corporate customers

AIS provides a comprehensive data network service to corporate customers, including the AIS Fibre broadband connection, suitable for general use by SMEs, and corporate internet for enterprises requiring high internet quality with guaranteed performance, as well as private network service based on multiprotocol label switching (MPLS), an international private leased circuit (IPLC) service and a wireless connection service through wi-fi and 4G technologies.

Beyond the fundamental data network services, AIS also offers enhanced solutions with advanced technologies, such as SD-WAN, which optimizes the use of applications, the managed network service, which involves AIS experts in network management, and the utilization of 5G in the business sector through the 5G FWA service, which improves network stability and quality to be on par with those achieved by a wired connection but allows for more convenient and faster installation.

More information is available at ⊘ https://business.ais.co.th/solution/en/network.html and ⊘ https://business.ais.co.th/5g/en/fwa.html.

⊙ Cloud computing and data centers for corporate customers

Today, cloud computing technology is playing an increasingly important role in organizations, companies, and government agencies, serving as an enabler for new and emerging technologies. In addition to enhancing work capability and competitiveness, cloud technology helps manage operating costs to increase investment efficiency without the need for continued investment in new devices as before.

As such, it is of great benefit for organizations looking to reduce IT costs and yet retain a highly stable and secure IT System to address the organization's application needs. AIS Business Cloud offers a new alternative for corporate customers keen to shift toward digital transformation. As a provider of complete cloud computing solutions, AIS pledges to continually broaden the scope of its collaboration with world-class partners in the development of cloud services and solutions. In 2022, AIS launched "AIS CloudX", an intelligent cloud ecosystem that enables businesses to develop cloud infrastructure as well as applications and solutions that require fast processing for mission-critical projects or work demanding low latency. The Company also teamed with VMware to be Southeast Asia's first provider of sovereign cloud which ensures the highest security standard while reducing costs and system design complexity. Ideal for businesses that need to store data locally or under the oversight of specific agencies. To complete a full cloud service, AIS joined hands with CISCO to provide a cloud security service, a cloud-based cyber security system, to allow the Thai business sector to have the capability to cope with cyber threats in the organizations along with reducing costs in operations and cyber security.

For the data center business, the Company operates a total of 11 data centers nationwide in the form of a carrier-neutral data center which allows for interconnection between multiple carriers to provide more options for customers. The centers are certified to international standards for cyber security, management, and environmental management. Manned by engineers on a 24-hour basis, the centers provide complete connections, both domestically and internationally, enabling corporate clients and SMEs to reduce their IT costs and facilitate effective management with maximum security.

Moreover, AIS joined forces with Gulf Energy Development Public Company (GULF) and Singapore Telecommunications Limited to establish AIS DC Venture. The objective was to jointly develop the data center business in Thailand in response to the expanding digital infrastructure fueled by the growing demand of the business sectors and organizations both at home and abroad to incorporate digital technologies into their operations. This has brought about the need for large data storage and more efficient data processing. The data center business is dedicated to creating greenfield data centers, using advanced and safe technologies in their management. At the same time, the business pledges to maximize energy efficiency through the use of alternative energy to reduce greenhouse gas emissions in support of sustainable digital economy development in Thailand.

More information is available at
⊘ https://business.ais.co.th/cloud/en/index.html.

⊙ Internet of Things (IoT)

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

AIS provides a suite of IoT services that encompasses various elements in the IoT ecosystem ranging from R&D to ready-made business solutions. AIS emphasizes on building the network foundation for all IoT solutions, such as the 3G and 4G networks for highly efficient broadband devices, the NB-IoT network for devices needing less power consumption, and the 5G network for solutions requiring high reliability and low latency. AIS also offers IoT device management platform as well as IoT network for high security solutions such as for finance and banking, distribution and logistics, and the manufacturing industry.

In addition, AIS provides a wide type of devices and development tools, ranging from the DEVIO Series, which supports connection through an NB-IoT network, to the AIS 4G Board, which supports the 4G connection widespread in Thailand. The devices and tools offered are compatible with the Microsoft Azure IoT Suite that help accelerate and safeguard application development and improve the ability to manage data on the Microsoft Cloud platform.

Additional information is available at ⊘ https://business.ais.co.th/iot/en/.

⊘ ICT solutions

AIS provides ICT solutions through CSL, a subsidiary who has long-standing experience in serving various enterprises in public, private, industrial, commercial, or educational sector. CSL offers services on the digital workplace, network infrastructure, wi-fi, hybrid office security, as well as managed service that covers consultation, maintenance, problem-solving, device replacement, and planning.

Through its collaboration with leading business partners and technology providers, such as CISCO, Dell, Fortinet, and HPE, CSL is able to deliver end-to-end solutions to corporate customers, including after-sales services provided by certified engineers.

Investors can visit ⊘ https://csl.co.th/Web/index.aspx to find additional information on AIS's ICT solution services.

⊘ AIS 5G for businesses
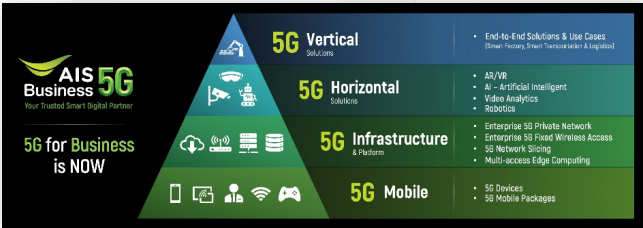
AIS 5G serves as a digital infrastructure for businesses with new capabilities that can address the unique requirements of different industries and for the purpose of digital transformation. AIS offers various 5G services including 5G mobile broadband, 5G infrastructures and platforms, such as the 5G FWA wireless broadband, network slicing, MEC, and private networks for the development of applications for businesses. Other services include 5G Horizontal Solutions, such as AR/VR, robotics, and video analytics, and 5G Vertical Solutions, which can be customized

for specific industry such as manufacturing industry, transportation and logistics, property development, and retails

AIS focuses on establishing collaboration with partners to create an ecosystem for the development of 5G solutions that meet various needs of the business sector and offer practical application. AIS has formed partnerships with technology experts at both national and international levels for joint development on the 5G platform and with industry experts to gain a deeper understanding of the business needs and to trial, assess, and modify a technology or solution in order to build a business model that supports feasible application over the long run.

More information is available at ⊘ https://business.ais.co.th/5g.

⊘ Services for SMEs

AIS promotes and supports small and medium enterprises, or SMEs. Under its 'AIS SME 7S' or 'Trusted Companion for All SMEs' concept, AIS 'facilitates' business expansion with various offerings responsive to all types of SMEs, build 'confidence' with solutions delivered through first-rate networks, and provides 'comprehensive' services managed by experts in tandem with special privileges to enable continuous growth.

AIS

⌂

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

AIS SME 7S comprises seven strands. 1) SME Mobile Service enables smooth, uninterrupted communication with complete coverage of all 5G and 4G frequencies across all areas and caters to the needs of different businesses with various packages. 2) SME Internet Service reaches all areas and is available in great variety of options to support business operations, including broadband fiber-optic internet equipped with a MESH wi-fi service to optimize signals and a wi-fi log to store user data in accordance with the law and for the purpose of future data analytics. 3) SME Digital Marketing Service provides comprehensive digital assistance across all marketing communication media, such as outsourced contact centers and professional online ads. 4) SME IT & Digital Solutions offers overarching, reliable IT services and special solutions, such as SME Smart MPBX, SME Cloud PBX, and ICT Solutions. 5) SME Digital e-Service serves businesses in the digital era through such offerings as AIS e-Biz shops, e-Bill, e-Withholding Tax, and e-Payment, among others. 6) SME Special Privileges includes AIS Biz Up for SME businesses, AIS Points for all AIS customers, and AIS Serenade for loyal AIS customers. 7) SME Strategic Partnership promotes and coordinates the establishment of partnership with AIS to boost business potential, sales volumes, and organizational growth.

Additional information on services for SMEs is available at
⊘ https://business.ais.co.th/sme/en/index.html.

Digital service business

AIS is committed to developing its digital services to respond to fast changing consumer demand, especially in the new normal era stemming from the COVID-19 pandemic. Through collaboration with partners specializing in different types of digital services, AIS's digital service business focuses on the following three areas.

⊙ VDO platforms

AIS' VDO platform offers various services covering free TV and on-demand streaming services with variety of entertainment content, such as movies, series, music, karaoke, games, and e-sports. The platform is broadcasted via the AIS Play application, available on mobile and tablet devices, and the AIS Playbox, available to AIS Fibre home internet subscribers.
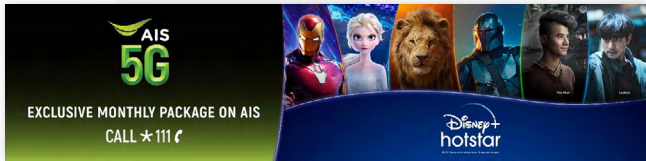
Through our collaboration with various partners, AIS provides an over-the-top (OTT) service renowned for its rich content variety. AIS is the sole authorized Disney+ Hotstar partner in Thailand, streaming Hollywood movies and series on a monthly or discounted yearly package basis. Also, AIS delivers both live and on video-on-demand (VOD) platform content from Netflix, CNN, BBC World News, BBC Lifestyle, VIU, iQIYI, BeIN Sports, and free digital and satellite TV channels.

In the past year, AIS further enhanced customer experience with integrated 5G technology through its AIS 5G AR/VR application, which utilizes the high-speed and low-latency property of 5G to enhance viewers' virtual reality (VR) experience. The application offers six types of content: 1) music, auditory experience with VR 180/360-degree, 2) star dating, allowing customers to be up close and personal with the celebrity through VR, 3) travel, for trips locally and abroad, 4) wellness, bringing virtual workout classes to home, 5) education, widening knowledge on the history and background of important landmarks in Thailand, and 6) Play News, featuring the 'Reporters on the Ground' special scoops reported through VR technology.

More information is available at ⊘ http://www.ais.co.th/aisplay and ⊘ https://www.ais.th/5G/en/.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Mobile financial services

In support of the public policy on the development of national e-payment infrastructure to promote and build towards a cashless society, AIS has allied with both domestic and international partners to diversify into cross-border mobile payment services. Such services allow customers traveling to Asian destinations to settle bills in their own currency through e-wallets, addressing the concerns over exchange rates or cash carry.

In addition, AIS offers mobile money platform service to both corporate customers through its Advanced mPAY Company Limited (B2B). For corporate customers, mPAY offers a comprehensive mobile payment platform that enables corporate to have an e-wallet for customer payment, without owned investment in the system or the need to process an operating license approval.

For more information, log on ⊘ www.ais.co.th/mPAY/gateway.

Other digital platforms

• **Digital marketing**

Leveraging its collaboration with AD Venture Public Company Limited and Teleinfo Media Public Company Limited (CS Loxinfo's subsidiary) and its large customer base of 44 million subscribers, AIS provides digital marketing solutions to corporate customers to enhance their access to consumers in the digital age, including the location-based SMS platform, which permits directing ads at customers in target areas, the Thailand Ads Network (THAN), which assembles a collection of ad spaces from Thailand's 100 most popular websites. AIS's digital marketing solutions comprise a wide array of services, ranging from digital content creation, website and mobile application development, social media management, and digital advertising media management, to turnkey marketing campaign solutions.

• **Insurance**

With the trend of consumer moving toward online purchase of products and services through social networks on mobile devices, AIS sees the opportunity to facilitate its customers in acquiring insurance products by diversifying into an insurance broker business under the name 'AIS Insurance Service', operated by Advanced Digital Distribution Company Limited. AIS Insurance Service guarantees greater convenience, safety, and simplicity throughout the purchase process, and also provides a wide variety of offerings, including domestic and international travel insurance, accident insurance, health insurance, car insurance, and life and health insurance. To bring further convenience, AIS Insurance Service offers the option of mobile insurance purchase and accepts premium payment through top-ups, monthly installments, credit/debit cards, and e-wallets. Also, insurance plan pricing is designed to suit the purchasing power of different consumer groups to ensure their access to insurance products.

AIS

⌂

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Distribution and Sale Channels

AIS distribution channels are divided into 5 main categories as follows:

| AIS Shop | Distributors | Wholesaler | Direct Sales and Telesales | Online Channel |

1. **AIS Shop** The service centers are operated by AIS and selected high potential distributors in a total of 222 locations. AIS Shop offers the most comprehensive range of products, services, and after sales services of all the distribution channels. It is strategically located in densely populated urban areas and focuses on maintaining the superior brand image of AIS products and services.

2. **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 396 locations in city areas and serves under the AIS brand. **"AIS Buddy"** accesses district and sub-district areas through more than 1,117 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.

3. **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 16,300 retailers across the country.

4. **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, a particularly convenient channel for customers during the COVID-19 pandemic.

5. **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.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Customer Relations Management

Committed to being a leading digital service provider, AIS manages the customer service with the concept "Number 1 service from our hearts for digitizing your life", combining a deep understanding and care for customers integrating the use of both technologies and human touch. Our customer service places focus on speed, convenience, personal data privacy, self-service ability and personalization to differentiate our customer experience. AIS' customer relations management combines the following tools and programs:

Main channel for customer support via the myAIS application:
myAIS application is AIS' main channel for customer support with the highest frequency of visits. By providing quick, easy, and complete range of services, the application saw a 16% increase in transactions in 2022 from the previous year with a total of 10 million subscribers being regular users. The application also offers services to customers of different nationalities and languages such as Thai, English, Burmese, and Cambodian.

In 2022, myAIS application was further developed toward being an Everyday Lifestyle Application through the adding of a diverse array of services including packages, customer services, and privileges to facilitate customers and enable them to carry out more transactions by themselves. Over the past year, myAIS application underwent the following developments:

⊙ AIS Fibre Network Assistance
provides assistance to AIS Fibre home internet and AIS PLAYBOX users with network issues through automatic smart troubleshooting which can solve over 40 internet connection problems, allowing for the quick solution backed by repair appointment and repair status check services. The services which are available 24-hours a day allow users to fix initial problems without the need to contact the call center. As at 2022, 70% of issues surrounding user connectivity was solved through the automatic smart troubleshooting on the application.

⊙ Ask Aunjai AI Virtual Agent
is a smart personal assistant that takes care of customers for each part of the main menu. It is capable of providing instant information, recommending a package appropriate for each customer as well as customizing privileges that match customer lifestyles. The personal assistant significantly reduces the workload of call center staff. As at year end 2022, the number of service transactions rose 27% while only 0.80% of those transactions with more complex queries were directed to the call center staff.

Privileges for Customers via AIS Privileges and AIS Points
Based on the strategy to add value to its products and services, AIS is committed to offer benefits provided by both AIS and its partners, addressing customer lifestyles across various segments. At present, AIS has over 30,000 partners and more than 500,000 shops linked with the Tung Ngern application participating in the Point Pay program across Thailand. AIS customers can redeem their AIS points for a cash discount on a wide ranges of products and services, encompassing food/beverages, shopping, traveling, entertainment, well-being, prize giveaways, free mobile/internet packages, AIS premium goods, LINE stickers, games, food delivery discounts, and etc. In 2022, AIS upgraded the AIS Points to AIS Points Plus, collaborating with partners with a points program such as Bangchak Points by Bangchak Group, Citi Rewards Points by Citigroup, and

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

K Point by Kasikorn Bank. The program allows AIS customers to connect their partner points account to redeem further exclusive privileges. Currently, 22 million AIS subscribers have participated in AIS Points and with over 50 million redemption transactions annually.

AIS Serenade

AIS Serenade is an exclusive privilege program that offers extra benefits for AIS customers who have high usage including a long service period as prescribed in the criteria. Having continued AIS Serenade for 18 years, the program is designed to deliver superior services and privileges to these customers categorized by lifestyle into 4 areas: **1. Special Experience** (Serenade Club, personal assistance, parking services, airport privileges); **2. Digital Life** (discounts for smart phones and gadgets); **3. Inspirational Activities** (entertainment activities such as concerts, stage plays, and inspirational activities to grow the business); and **4. New Experience** (traveling and dining experiences). This enables us to better serve the next normal lifestyles of our 6.1 million Serenade members.
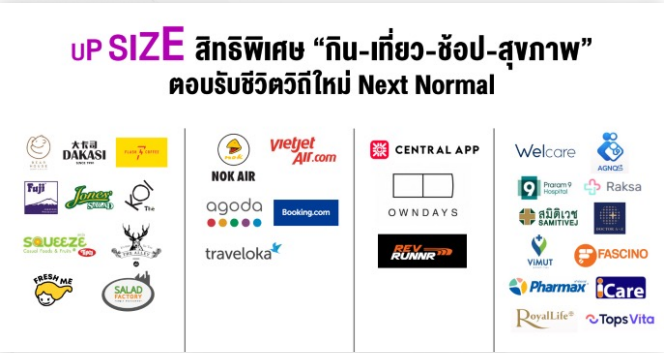
Personalization

Personalization privileges based on the big data work on consumer behaviors analysis to gain insights into customers' needs. A data analytic model is then used to select privileges from 30,000 partners to precisely match the needs of each customer. Also, AIS has developed Contextual Interaction to deliver privileges at appropriate periods of time.

Customer satisfaction measurement:

Customer satisfaction measurement: AIS observes customer satisfaction across numerous platforms, including rating via telephone call, surveys in our service shops, and questionnaires arranged by a contracted 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 suggest 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 90% for the year 2022.

Customer Satisfaction score
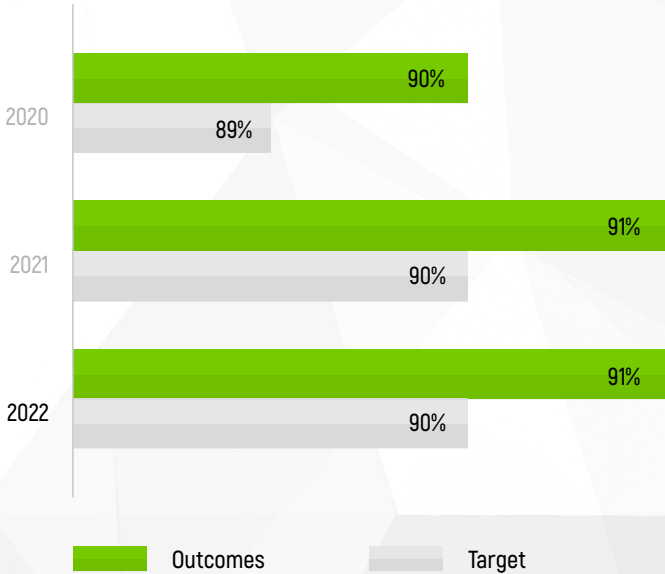
Year	Outcomes	Target
2020	90%	89%
2021	91%	90%
2022	91%	90%

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Procurement of Products and Services

Spectrum

Currently, AIS operates its mobile business with a total spectrum of 1,450 MHz (2x75MHz on FDD technology and 1,300 MHz on TDD technology). 1,420 MHz of spectrum licenses are granted by the NBTC to Advanced Wireless Network Co.Ltd. (AWN), a subsidiary, while another 2x15MHz comes under the partnership agreement between the NT(TOT) and AWN.

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

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 of Mobile Phones, Equipment and Digital Services

AIS markets mobile phones spanning a range of qualities and price points to satisfy the varied needs of its customers. Most brands purveyed by AIS are well-known in the market and include Apple, Vivo, Oppo, Samsung, Realme, Huawei, and Xiaomi. AIS also markets other IT products, including tablets, accessories, and IoT devices in support of digital communication, the varying lifestyles of its customers, and increasing digital transformation in Thailand from changing customer behaviors. Procurement of mobile phones and IT products is done through collaboration with leading manufacturers to secure a variety of products. In the past year, AIS has begun sourcing and offering more affordable 5G devices for customers such as the Xiaomi, Samsung and RUIO brand, as well as providing special equipment such as AIS VR4K supported for the usage of AIS 5G Play VR, in order to reach the target customer of 4K content enthusiasts. This was aligned with our 5G services, enabling consumers to access the latest technology and to effectively utilize the AIS network.

Work under progress

-None-

Industry Competition in 2022 and Outlook for 2023

Industry Competition in 2022

33%

21%

AIS
46%

Mobile Business

- ■ AIS
- ■ DTAC
- ■ TrueMove

14%

15%

18%

37%

AIS Fibre
16%

Fixed Broadband Business

- ■ AIS
- ■ True Online
- ■ 3BB
- ■ NT (TOT)
- ■ Others
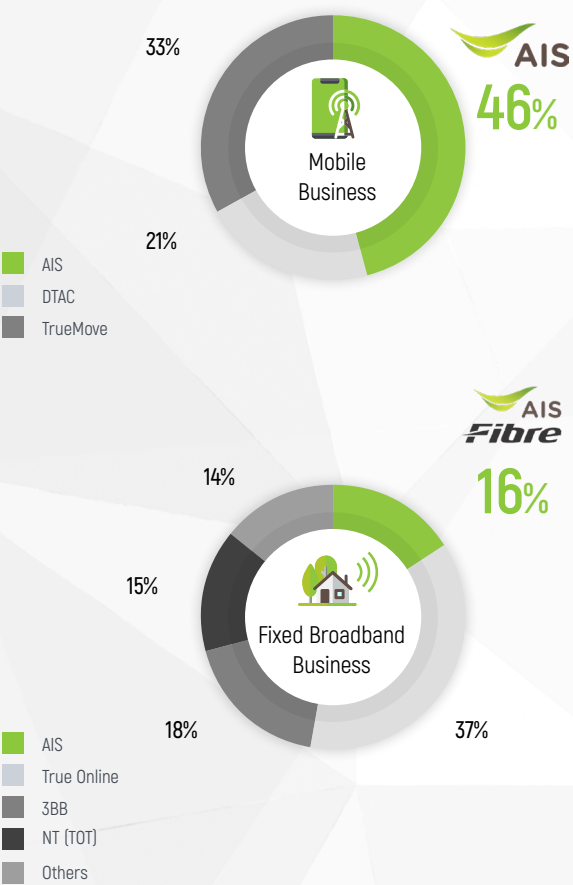
Subscriber market share in mobile and fixed broadband businesses

Mobile Business Continued to Face Price Competition amid Rising Inflation

In 2022, the Thai economy was pressured by rising inflation since the second quarter of the year, directly impacting consumers' cost of living. While this resulted in the dampened purchasing power of those with lower buying power and the vulnerable groups, consumers with high purchasing power seemed to be less affected as a result of the recovery in economic activities as well as tourism and hospitality following the easing of new COVID-19 infections and measures.

The total revenue of the mobile industry remained unchanged, amounting to Bt 320,000 million due to intense market competition, prompted by operators' focus on price competition to maintain their customer bases and expand market shares. As such, they offered unlimited data plans at lower prices for prepaid and postpaid customers, resulting in lower average revenue per user (ARPU) for the industry despite a 6% increase in the number of users, 5% of whom were prepaid customers and 7% postpaid. In 2022, mobile users in Thailand accounted for 150% of Thai population, a increase from 145% in the previous year.

With the strategy to focus on the distinctive quality of products and services, capitalizing on its 5G network marked with excellent quality and broad coverage, AIS managed to record 1.9 million mobile subscribers, a 4% growth year-on-year for both prepaid and postpaid customers. AIS' number of postpaid subscribers outperformed the industry. As at year end 2022, AIS continued to rank No.1 for subscriber market share in the industry at 46%.

Providing 5G Service and Expanding 5G Network to Accommodate Growing Demand for 5G among Users and Organizations

In 2022, mobile operators expanded their 5G networks to cover 77 provinces. However, key areas with a high density of demand were major cities in different regions such as Bangkok Metropolitan Region and the Eastern Economic Corridor (EEC) which saw higher demand for 5G than elsewhere. Over the past year, 5G adoption reached 6.8 million subscribers. This could be attributable to the rollout of new 5G-enabled handset models at more affordable prices and the operators' introduction of cheaper 5G promotional packages to create reach and drive 5G adoption. Other contributing factors included the changing behavior of consumers with demand for more efficient technologies than the 4G, fueling 5G adoption to grow by leaps and bounds.

In response to the increasing role of 5G for end-users and B2B clients, AIS pledged to develop its 5G network to gain competitive edge in coverage and quality and highlight the efficiency and cost-effectiveness of AIS' 5G products and services for users. On the other end, B2B clients employed 5G technology to develop and streamline efficiency of work processes, increase security, and provide faster responses to problems. In 2022, AIS served as a middle platform between Thai business organizations and developers worldwide in selecting use cases based on 5G technology that best address the application needs of B2B clients. Emphasis is on 4 industries: smart manufacturing & smart factory, smart property, smart transportation & logistics, and retail. The growing importance of 5G-enabled products has been one of the contributing factors driving AIS' long-term growth.

Home Broadband Business Witnessed Continued Growth in Response to Thailand's Digital Development

During the COVID-19 pandemic, the home broadband market witnessed solid growth following demand for work and learning online from home in response to changing consumer behaviors and lifestyles. Despite the fall in COVID-19 cases, consumers' rising demand together with Thailand's digital expansion helped drive the growth of the home broadband business. As at year-end 2022, the home broadband industry amounted to Bt 68,000 million, up 2% from the preceding year. The number of home internet increased to 13 million households with the penetration rate reaching 58% of total households in Thailand. Nevertheless, given the higher inflation and cost of living, service providers were pressured to offer low-price packages, starting at Bt 299/month. Discounts were also offered to customers or those switching service providers to maintain customer bases and expand market shares, resulting in the continued decline in the industry's ARPU. In response, service providers were relentless in selecting products and additional services to add value to their products.

Over the past year, AIS offered several value-added services to customers. Examples included fixed mobile convergence (FMC) that allows cell phone sets to function with home internet, providing a variety of content, and adding innovations and technologies that boosted the efficiency of home internet. On top of this was the dedication to developing service quality to ensure maximum customer satisfaction such as 24-hour customer care and problem-solving. The demonstrated commitment resulted in a 22% increase in AIS' home internet users, the industry's highest, in 2022 with a total number of 2.17 million subscribers, accounting for 16% of market share in the home internet industry.

Building the Digital Ecosystem and Growing alongside Enterprise Clients in Thailand

As businesses from small to large-sized enterprises are rapidly undergoing digital transformation, this has opened up growing opportunities for service providers to generate more revenues from sales of digital enterprise solutions such as cloud products and services, cyber security, data center, Internet of Things (IoT), and ICT solutions. This has brought about steady growth in the enterprise client market. As a host of international players are eyeing entry into Thailand's cloud market, they are likely seeking to form a strategic partnership with a local telecom service provider already with a large customer base to push new technologies to the enterprise client market more quickly. Moreover, opportunities abound for driving new product offerings to accommodate customers adapting to a new normal life that incorporates digital technology into their day-to-day activities such as digital financial services, online medical and healthcare services, and logistics and transportation.

As for the competitive situation in the enterprise client market, since the market is filled with a broad spectrum of products and services, each service provider focuses on the product offerings in which they have the industry expertise and competitive business fundamentals. In the past year, building on a strong relationship with enterprise clients using AIS' telecommunications services, AIS offered cloud and IoT services to support enterprise clients in their digital transformation journey, enabling them to adjust to work processes in the new normal age. This resulted in AIS' revenue from the enterprise business, excluding the enterprise non-mobile business, increasing by 26% in 2022.

Outlook for 2023

Mobile Business Expected to Recover Following Revival of Economic Activity and Purchasing Power amid Slowdown in Inflation

The Thai economy in 2023 is expected to regain momentum, propelled by a surge in tourist arrivals combined with slowdown in inflation as central banks in many countries continue to raise interest rates. The Bank of Thailand has projected the inflation rate to be 3%, down from the surge of 6.3% in 2022. This coupled with a rebound in tourism as forecast by the Tourism Authority of Thailand with the number of foreign tourists in 2023 rising to 25 million will be a key driver behind Thai economic recovery, contributing to higher purchasing power and domestic consumption. Such favorable factors could help drive the overall revenue of the mobile industry.

Price competition continues to pose a challenge to any rebound in revenue within the industry next year. A key factor is the planned merger of the two service providers. In 2022, the National Broadcasting and Telecommunications Commission (NBTC) acknowledged the proposed merger and prescribed measures to regulate the impacts of the deal on consumers. The planned merger and control measures are expected to have material impact on competition in 2023.

For AIS' mobile business in 2023, the Company is committed to delivering the best service to customers, building upon its advantageous network while, at the same time, fostering collaboration with diverse partners to create an ecosystem with various benefits that add value to AIS' services. New packages that bundle AIS' services together will be introduced to increase cost-effectiveness for customers. Such packages are expected to help propel the growth of AIS' mobile business in 2023.

AIS

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

5G Technology Growing Continuously in Terms of Network Expansion and 5G Packages

In 2023, 5G adoption is expected to expand more toward low- and mid-tier customers as 5G-enabled smartphone models with more affordable prices are entering the market in greater numbers, fueling the growth of the 5G market. In response, service providers are likely to roll out more 5G packages that suit the needs of low- and mid-tier customers, leading to a steady increase in the number of 5G subscribers and revenue.

AIS sets it sights on encouraging more users to adopt 5G in 2023 backed by wide-ranging strategies such as a rollout of 5G packages suitable for each group of customers, or packages bundled with a new handset. Aside from general users, AIS anticipates that 5G technology will play a vital role in facilitating the business operations of enterprise clients, expanding the commercial opportunities of 5G services brought about by an increase in the use of solutions and services in the target industries such as long-distance control, real-time tracking systems, unmanned vehicles, and smart factories among others. The efforts align with AIS' role in supporting and facilitating the adoption of digital technology to elevate the work of enterprise clients and grow alongside AIS.

Home Broadband Anticipating Sustained Growth

The home broadband market in Thailand is expected to sustain its growth as people have increasingly realized the importance of digital lifestyles and rushed to install home broadband during the spread of COVID-19 over the past few years. Another contributing factor is that 58% of households in Thailand have fixed broadband connectivity, demonstrating high growth potential, especially in suburban areas with no access to internet connectivity. Also, service providers tend to roll out a more diverse range of packages, for example, fixed-mobile convergence, home internet packages bundled with IoT devices, and home solution packages to address the digital needs of consumers. Given these positive factors, the number of users and revenue of home broadband business in 2023 are expected to grow robustly.

Another factor that may affect trends in home broadband industry in 2023 is AIS' acquisition of Triple Three Broadband Internet (3BB) by AWN, a subsidiary of AIS dedicated to providing home internet service. AIS is currently in the process of requesting approval from the National Broadcasting and Telecommunications Commission for this transaction. The deal will expand the AIS subscriber base to 4.5 million and rise to prominence as the second largest internet service provider in the industry. The acquisition will benefit both AIS and 3BB home internet users, allowing them easier access to AIS and 3BB products and services while reducing the costs for expansion of home internet access, which can contribute to digital development in Thailand. The acquisition is slated for completion in Q2/2023.

Expanding Demand for Digital Technology of the Thai Business Sector

The Thai business sector is likely to face economic volatility and cost pressure well into 2023. However, scores of organizations have incorporated digital technology into their work processes to increase competitiveness and enable efficient organizational management. Following a major transformation of work patterns during the COVID-19 outbreak, organizations in both the government and business sectors have increasingly come to realize the importance of the cloud system and IT services. This has brought about steady growth in multiple services including Cloud, Cyber Security, Internet of Things (IoT), and IT Solution Service. Moreover, the problems related to labor shortage and growing concern over employees' occupational health issues will likely prompt businesses to replace human workers with technology and improve their processes at work to maintain a safe work environment. This broadens the opportunities to present new technologies to businesses going forward.

Anticipating robust growth in enterprise business, AIS strives to deliver products and solutions that help the business sector to achieve digital transformation and build new capabilities to gain competitive advantages regardless of difficult economic situations. Emphasis will be placed on Cloud services and 5G-enabled solutions, which will be a key growth driver of AIS' enterprise businesses in 2023.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability
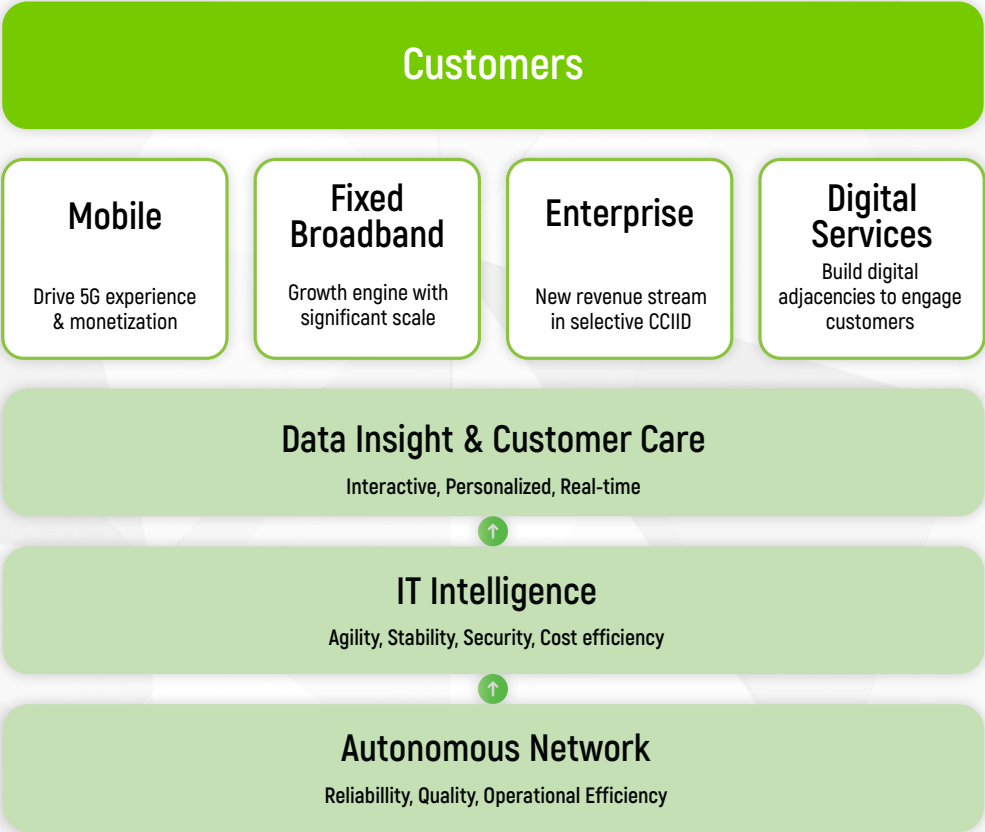
Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Unleash Excellence in Digital Customer Experience

Customers

Mobile	Fixed Broadband	Enterprise	Digital Services
Drive 5G experience & monetization	Growth engine with significant scale	New revenue stream in selective CCIID	Build digital adjacencies to engage customers

Data Insight & Customer Care
Interactive, Personalized, Real-time

↑

IT Intelligence
Agility, Stability, Security, Cost efficiency

↑

Autonomous Network
Reliabillity, Quality, Operational Efficiency

The telecommunications industry provides critical infrastructure for the digital economy, especially the embarkment on a 5G journey that has transformed the provision of technology services. For users, these services provide even faster and more realistic experiences whereas the business sector can adopt the digital processes and 5G technology through multiple solutions to enhance work process efficiency and spur the growth of the business sector amid the increasingly important role of digital technology.

The growing importance of the telecommunications industry and technology have underlined AIS' commitment to drive growth to become Cognitive Tech-Co, focusing on 4 core businesses:

1. Strengthening the mobile business revenue with 5G technology experiences

AIS pledges to enhance the growth of the core mobile business by migrating more customers towards higher 5G adoption. To address the needs of consumers for a superior technology, AIS has invested heavily in developing 5G network coverage and signal strengths in addition to creating new services and content to accommodate and enable 5G technology to bring the highest the network experience for users.

2. Driving growth with expansion in the home broadband business

Following entry into the home broadband market, AIS strives to expand its home broadband network with fiber technology to many areas, cashing in on the strengths in mobile network with the broadest 5G coverage, and to create service quality excellence. The Company's dedication and commitment has enabled AIS to grow continually and further its home broadband business to achieve national coverage after expanding to broader areas and introducing more highly efficient devices and new services that address family lifestyles connecting mobile with fixed broadband and services, home entertainment, and home automation systems.

3. Creating a new source of revenue in enterprise business with the focus on Cloud, IoT, and 5G

For the enterprise business, AIS resolves to take on the roles of enabler and accelerator to push digital transformation and increase the competitiveness of the business and industrial sectors with the focus on the development of Cloud service, Internet of Things (IoT), Cyber Security, and 5G technology that accommodate the work processes of businesses through a wide range of solutions specifically designed to cater to the needs of the clients. The four target industries are Smart Manufacturing & Smart Factory, Smart Property, Smart Transportation & Logistics, and Retail. The Company also collaborates with world-class technology service providers to bring in new products and platforms, in an extension of AIS capabilities and expertise, to be a leading player that brings digital technology to small to large-scale enterprises backed by AIS' powerful – stable - safe digital infrastructure and specialists with renowned experience and expertise.

4. Fostering relationships with users through digital business

In addition to the telecommunications business, AIS sets its sights on delivering new value-added digital services that correspond to consumer lifestyles in the digital era through investment and collaboration with business partners with experience and expertise in specific areas. To that end, AIS focuses to build digital services on its current customer base, providing a wide variety of digital lifestyle services such as digital finance, digital insurance, and lifestyle content among many others. AIS offers these varieties of products via easy-to-use services or platforms that satisfy the needs and provide conveniences for the customers. This will enable AIS to generate revenue from services in the forms of subscriptions, fees as well as potential revenue from advertising using the customer database on these platforms.

Technological advancements in the digital age have triggered rapid changes in consumer behaviors and needs. In the attempt to enhance efficiency and develop a multitude of products and services that better satisfy consumers' needs, AIS has defined the direction for the development of three key fundamentals to support business growth in line with the our direction to become Cognitive Tech-co as follows:

1) Autonomous Network

with the ability to track, monitor, and respond to changing factors by themselves in advance with precision, thereby minimizing human errors. This creates a superior experience backed by excellent quality for customers and helps maximize process efficiency.

2) IT Intelligence

facilitates work in organizations to ensure speed, safety, and stability, enabling them to cope with any situations promptly and manage costs effectively.

3) Data Insight and Customer Care

based on the smart IT and network infrastructure will help AIS to analyze the relevant data to rapidly and accurately deliver products and services that meet the real need of each customer, allowing the Company to deliver new values and experiences with quality excellence to its customers.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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 (ToT and CAT)

The details of significant assets are as at 31 December 2022 as follows;

1. Fixed assets of AIS and subsidiaries

Type of Assets	Type of Ownership	Estimated Useful Life (Years)	Unit: Million Baht
Tools and equipment for providing telecommunication network and fixed broadband services	Ownership	3 - 20	271,938
Right-of-use assets	Right-of-use	1 -15	73,549
IT equipment	Ownership	3-10	12,895
Network under construction and installation for rendering telecommunication and fixed broadband services	Ownership	-	7,133
Other fixed assets	-	-	2,125
Total	-	-	367,640
<u>Less</u> accumulate depreciation/ amortization	-	-	(211,527)
Net Book value	-	-	156,113

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

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

2. 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.

Summary of Telecommunication Service License granted by NBTC

Spectrum License	License Fee	Grant Date	Grant Period	Expiration
The right to use 2.1 GHz spectrum • Bandwidth of 2x15MHz • Provide telecommunication network covering at least 50% of population within 2 years and at least 80% of population within 4 years		7 Dec 2012	15 years	6 Dec 2027
The right to use 900 MHz spectrum • Bandwidth of 2x10MHz • Provide telecommunication network covering at least 50% of population within 4 years and at least 80% of population within 8 years	Pay for the license within the time period as specified by the NBTC.	1 Jul 2016	15 years	30 Jun 2031
The right to use 1800 MHz spectrum • Bandwidth of 2x15MHz • Provide telecommunication network covering at least 40% of population within 4 years and at least 50% of population within 8 years		26 Nov 2015	18 years	15 Sep 2033

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Summary of Telecommunication Service License granted by NBTC (Continued)

Spectrum License	License Fee	Grant Date	Grant Period	Expiration
The right to use 1800 MHz spectrum • Bandwidth of 2x5 MHz • Provide telecommunication network covering at least 40% of population within 4 years and at least 50% of population within 8 years		24 Sep 2018	15 years	15 Sep 2033
The right to use 2600MHz spectrum • Bandwidth of 100 MHz • 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. • 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	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 • Bandwidth of 2x10 MHz		15 Jan 2021	15 years	14 Jan 2036
The right to use 26GHz spectrum • Bandwidth of 1200 MHz		18 Feb 2021	15 years	17 Jan 2036
The right to use 700MHz spectrum • Bandwidth of 2x5 MHz		1 Apr 2021	15 years	31 Mar 2036

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

3. Commercial Agreement

Commercial Agreement with NT (TOT)

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

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

Commercial Agreement with NT (CAT)

4. Telecommunication Tower Rental Agreement

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

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.

Risk Management

Enterprise Risk Management

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.

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 Emerging Risk, whereby the Company has clearly identified the details under consideration of various risks; for example, Information Technology Risk (IT Risk), Cybersecurity Risk, Environment, Social and Governance Risk (ESG) as well as sustainability, which is 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.

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.

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, the Executive Committee and the Board of Directors regularly.

Roles and 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.

Executive Committee

The Executive Committee is responsible for ensuring that the management manages risks properly at both the corporate level and operational level, as well as overseeing and monitoring the status of the Company's key risks.

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, the Executive 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.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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

The Company 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, the Company 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:
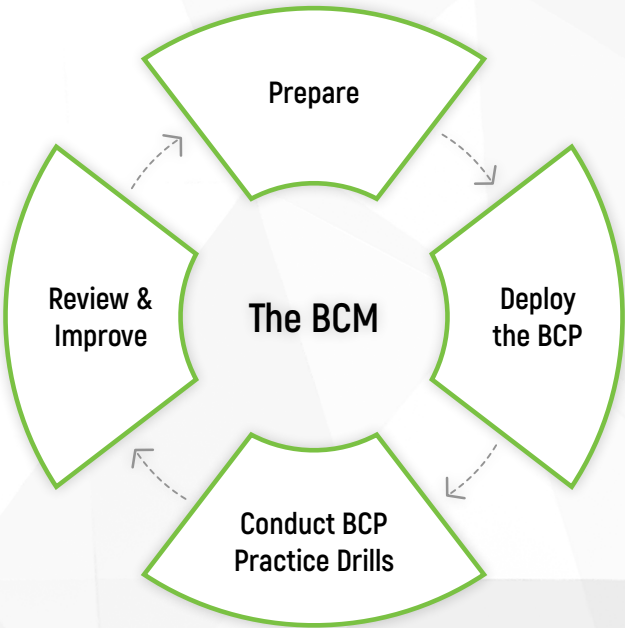
1. **Prepare business continuity plan:** A business continuity plan must be prepared in accordance with the objectives of business continuity management to enable the Company to cope with the potential impact of a disaster. The plan takes into consideration both the Business Impact Analysis (BIA) and 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.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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:

→ **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.

→ **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.

→ **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.

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.

AIS

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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 form 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.
2. 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.
3. The Company plans to integrate risk management into its business plan approval process and performance appraisal.

Performance results in 2022 and goals for 2023

For its Business Continuity Management System (BCMS), AIS received the ISO 22301:2019 Business Continuity Management System certifications for Cloud service and Co-Location service, certifying it as a company that developed a complete business continuity management system to cope with crisis or disaster, thereby further enhancing the sustainable development of the organization.

AIS has continued to conduct business continuity practice drills for the continuation of critical business processes. In 2022, a drill scenario was fire situation at the Company's main office building resulting in an interruption to the AIS network and services was carried out to test the responsiveness of the business continuity plan in ensuring the continuity of service. The Company places importance on creating knowledge, understanding and awareness of the Business Continuity Management System (BCMS) among employees. Learning materials are prepared both in the form of E-Learning and Infographics to communicate to employees at all levels.

For its Risk Management System, AIS established a risk management process and reported results quarterly, with a focus on emerging risks. AIS incorporated risk analysis and assessment together with the development of business strategies and objectives to enhance awareness and understanding of risk management. The Risk Management Committee presented information relevant to business operations to the Board of Directors, the Executive Committee, and the Audit and Risk Committee on a regular basis. Other relevant departments also received the information so that they can manage risks in a timely manner.

In addition, the Company focused on providing education and raising awareness on the risk management framework for directors, the management, and employees on a regular basis, to ensure that risk management practices are up to date and in line with current circumstances.

In 2023, For Risk Management implementation and ongoing improvement, the Company continues to apply COSO ERM 2017: Enterprise Risk Management Integrating with Strategy and Performance to all functions. For Business Continuity, the Company applies ISO 22301: 2019 framework for Business Continuity Management System with all business processes ensures that AIS is ready and able to respond to and manage a variety of situations in times of crisis.

Risk 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:

1. Internal and external factors such as human resources, changes in technology and regulations, customer behaviors and the business environment.
2. 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.
3. Past events, current exposures, and future trends which may affect AIS and its group's business operations.
4. Significant movements in the economy, society, and the environment in both the short term and long term.
5. The causes of potentially adverse events which may affect AIS and its group's business operations.
6. New initiatives or new products and services that AIS is seeking to develop.
7. Opportunities to identify new value adding activities.

Risk identification process

| Management and employees identify risks at both the corporate and functional level | → | A Risk Management Working Group considers and selects identified risks and proposes them to the Risk Management Committee as corporate risks | → | The Risk Management Committee considers the proposed risks and prioritizes them based on their likelihood and potential impact. The process includes the definition of acceptable risk levels, (Risk appetite and tolerance), as well as the identification of mitigation and risk management actions. The Risk Management Committee then proposes its plan to the Board of Directors for acknowledgement. |

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance
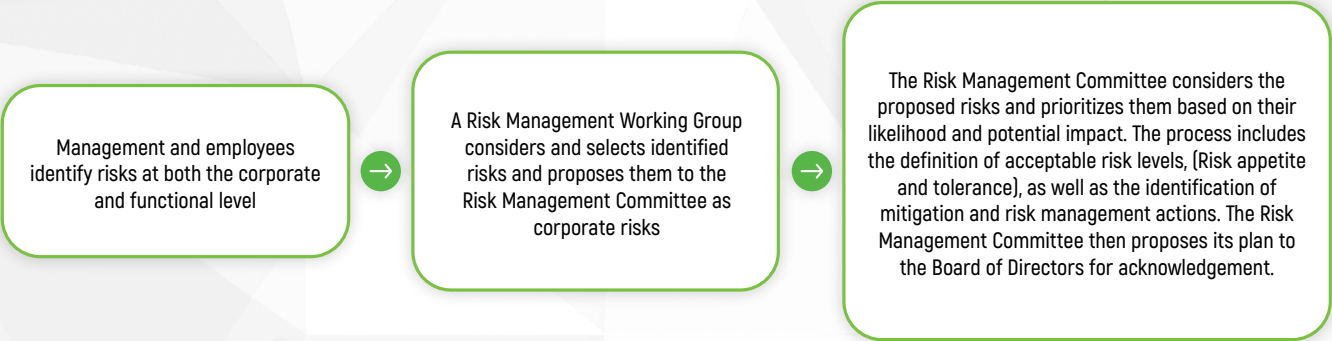
Management Structure

Internal Control

Financial Statement

Significant risk factors

In 2022, 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:

Risk Category / ESG	Strategic Risks	Operational Risks	Financial Risks	Compliance Risks	Emerging Risks
Environmental (E)					• Climate Change Risk
Social (S)		• Risk of Data Privacy • Risk from inability to acquire and retain interdisciplinary talents			
Governance and Economic (G)		• Risk from Intensive Competition in the Market • Risk from Technological Advancements and substitution of products and services • Supply Chain Risk • Risk from Major network Failure or Interruption to Important Systems • Risk to Information Security and Threats from Cyber-Attack	• Risk from Exchange Rate Fluctuation • Risks from the absence of a debt covenant ratio	• Risk from changes in government policies, rules, regulations and orders of regulators • Risks Arising from Disputes with Government Agencies	• Risk from the Potential Consolidation of Main Competitors • Geopolitical and Geoeconomics Risk

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

Risks from Industry Regulation and Government Policies

1. 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.

The Potential Impact of Risks	Risk Movement from 2021
Business operations, revenue and cost, company's reputation	No significant change

2. 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.

The Potential Impact of Risks	Risk Movement from 2021
Financial status and company reputation	No significant change

Operational Risks

1. Risk from Intensive Competition in the Market

The high penetration rate especially in the mobile business limits the subscriber growth and caused the intense price competition for the operators to continue growing their customer base and market share. This includes offering various promotion packages especially the provision of mobile packages bundled with various mobile devices and more prevalently, introducing unlimited data packages to attract customers. These developments limited the revenue growth opportunity while the operators still need to expand their networks to maintain the quality. Hence, resulted in the profitability challenges.

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

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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.

The Potential Impact of Risks	Risk Movement from 2021
Financial revenue, market share and company reputation	Increasing in likelihood

2. 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.

The Potential Impact of Risks	Risk Movement from 2021
Financial revenue, market share and company reputation	Increasing in likelihood

3. Risk from inability to acquire and retain interdisciplinary talents

Employment market trends have significantly changed after the COVID-19 outbreak. As a result, businesses that have grown to support changing consumer behavior as well as government's direction to drive digital adoption create higher demand for skilled workers such as IT, Digital, Sales and customer service. In addition, the changing behavior of working-age population such as the need for work-life balance or the demand for a hybrid work model, bring challenges to the Company in attracting these talents, creating opportunities for career advancement, adopting flexible workplace policy and maintaining corporate culture that makes employees happy.

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:

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

- 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).

The Potential Impact of Risks	Risk Movement from 2021
Company reputation and market share	Trend to increase

4. 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 as well as the global chipset shortage situation due to the COVID-19 outbreak may cause the impact to global supply chain disruption. 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.

The Potential Impact of Risks	Risk Movement from 2021
Financial revenue, business or IT system disruption, and company reputation	No significant change

5. 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 in recognition of the implementation of the Company's Business Continuity Management System to cope with crisis situations.

The Potential Impact of Risks	Risk Movement from 2021
Financial revenue, company reputation and unachieved operations	No significant change

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

6. 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.

The Potential Impact of Risks	Risk Movement from 2021
Company reputation and penalty from regulatory bodies	No significant change

7. 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.

The Potential Impact of Risks	Risk Movement from 2021
Financial revenue, business or IT system disruption, and company reputation	No significant change

Financial Risks

1. 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

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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.

The Potential Impact of Risks	Risk Movement from 2021
Cost and/or revenue	No significant change

2. 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 accruement, 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

AA+(tha) rating from Fitch Ratings at the end of 2022, 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.

The Potential Impact of Risks	Risk Movement from 2021
Revenue / Financial Status / Cost	No significant change

Emerging Risks

1. Risk arising from the potential consolidation of main competitors

The potential consolidation of main competitors may result in both opportunities and risks to AIS operating strategies since the number of major telecommunication operators especially the mobile communication service may drop from 3 to 2 with similar market shares. The consolidation may lead to changes in the competitor's financial status as well as competitiveness and investment. This may instigate changing market and competition scenarios and affect the regulating guidelines of NBTC for the industry as well as the views of consumers toward the operators. It is necessary that AIS prepares itself to cope with the situations.

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

- Arrange the Management meetings to consider the situation and prepare to adjust the Company's strategies and operations accordingly.
- Study regulations and/or relevant laws and coordinate with the government agency with oversight authority to keep up with the moves and views of the government sector, and prepare the Company to respond to changes in rules and regulations.
- Commit to developing and expanding network infrastructure continuously with emphasis on being a leader in providing high quality service to build consumer confidence.
- Work toward organizational preparedness to deliver a diverse range of products and services that address the changing needs and expectations of consumers.

2. 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.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement

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.

3. Geopolitical and Geoeconomic Risks

Major geopolitical events such as 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.

Chairman and CEO Message

Company Overview

Business

Risk Management

Sustainability

Performance

Corporate Governance

Management Structure

Internal Control

Financial Statement