

2Q24 MD&A

Advanced Info Service Plc.

Executive Summary

Maintain core business growth with the consistently increasing demand for connectivity

2Q24, the Thai economy showed cautious expansion due to ongoing recovery in private consumption and the tourism sector during the festive season, despite delayed government budget disbursement. Overall, AIS reported core service revenue of Bt40,229mn, increasing 19% YoY following TTTBB revenue recognition and organic business expansion, while increasing 2.0% QoQ driven by continual demand for connectivity of mobile and FBB.

Mobile services continued the momentum from value-based offerings

Mobile revenue reported Bt30,775mn, increasing 4.3% YoY 1.4% QoQ, driven by improved consumer sentiment and increased data consumption. AIS mobile ARPU continued to benefit from package restructuring in prepaid, personalized cross-sell and upsell services, and gains in the tourist-related segment. The positive subscriber additions gained from both domestic and international segments.

AIS focuses on growing its mobile business by enhancing customer experience through network quality and personalized packages and customized services. With superior 5G network covering over 95% of the population, 5G subscribers increased to 10.6 million, or 23% of the total mobile base.

FBB continual growth alongside an expanded base of quality subscribers

Fixed broadband revenue reached Bt7,284mn, a strong growth of 155% YoY and 2.3% QoQ. This was driven by an expanded high-quality subscriber base and higher ARPU from new subscribers, supported by cross-selling value-added services. Integration efforts focused on maintaining seamless service quality to customer experiences, while keeping efficiency and productivity aim in mind.

Enterprise services maintained the growth amidst economic headwinds

Non-mobile enterprise business reported a revenue of Bt1,524mn, growing 14% YoY mainly from TTTBB enterprise revenue consolidation, and 5.6% QoQ, mainly from continual demand in EDS and cloud services driven by strong digital transformation demand despite delays in customers' project decisions due to economic headwinds. AIS's enterprise segment focuses on core products like connectivity, 5G digital infrastructure, and platforms, aiming for higher margins through collaboration with targeted industries.

Profit growth continued in tandem with business expansion

2Q24 EBITDA was Bt27,621mn, increasing 19%YoY accelerated from TTTBB positive EBITDA contribution and core business growth, while decreasing -0.5% QoQ from higher SG&A.

EBITDA margin improved to 54% from continual focus in profitable revenue, cost management, and improved device margin.

AIS reported a net profit of Bt8,577mn, increasing 19% YoY and increasing 1.5% QoQ following a better operating performance.

Market and Competitive Environment

2Q24 global economy continued to face challenges from prolonged monetary policy tightening amid geopolitical tensions. In Thailand, positive economic sentiment was driven by ongoing improvement in private consumption and tourism sector, despite slow government budget disbursement and structural headwinds.

The mobile industry maintained positive sentiment due to growth led by the prepaid segment and increased tourist-related usage during the festive period in April and May. Competition shifted towards value-based offerings with more personalized packages to gain ARPU. The handset market slowed down in the quarter due to a lack of flagship phone launches and no government tax stimulus like in 1Q24.

The fixed broadband industry continued to grow in both subscribers and ARPU, driven by expanding broadband penetration and continuous ARPU uplift through cross-selling and upselling add-on content and innovative products. Service providers employed strategies targeting higher-tier customers with new technologies like Home Fibre LAN, additional Mesh Wi-Fi, and IoT devices. They also tailored packages for different segments, including Smart-AI for gamers.

Enterprise services were affected by delayed investment decisions due to negative sentiment regarding Thailand's economic environment and slow government stimulus disbursement. However, Thai businesses continued to seek specific solutions to improve operational capabilities and enhance cost efficiency, such as smart IoT solutions, cloud services, and connectivity.

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2Q24 Operational Summary

Mobile Service: In 2Q24, mobile subscribers reached 45.7 million with a net addition of 644k, driven by an increase in prepaid subscribers from domestic customers and foreign tourists during Songkran festival in April. Postpaid subscribers continued to grow minimally aligned with subtle economic recovery, increasing by 64k. AIS's efforts to enhance customer experience through value-added services and digital demand led to increased data usage, resulting in a blended ARPU of Bt224, up 5.1% YoY and flat QoQ. Prepaid ARPU rose to Bt137, benefiting from higher daily top-ups due to digital usage growth. Postpaid ARPU remained flat QoQ at Bt448, pressured by IoT SIMs. 5G subscribers reached 23% of the total base, growing 7.2% QoQ to stand at 10.6 million by the end of 2Q24.

Broadband Service: The momentum for acquiring quality subscribers continued, supported by an expanded network footprint. AIS 3BB Fibre3 subscribers grew by 67k from the previous quarter, reaching 4.9 million in 2Q24. The ARPU increased to Bt501, reflecting a 0.9% QoQ rise due to high-value products and more personalized services tailored to customer segment needs.

Mobile Business Subscribers	2Q23	1Q24	2Q24	%YoY	%QoQ
Postpaid	12,673,200	12,733,200	12,797,600	1.0%	0.5%
Prepaid	32,643,000	32,291,700	32,871,400	0.7%	1.8%
Total subscribers	45,316,200	45,024,900	45,669,000	0.8%	1.4%
Net additions (Churns)					
Postpaid	4,300	18,200	64,400	1399%	254%
Prepaid	(809,200)	390,200	579,700	NM%	49%
Total net additions	(804,900)	408,400	644,100	NM%	58%
ARPU (Baht/sub/month)					
Postpaid	448	448	448	—%	—%
Prepaid	123	135	137	11%	1.3%
Blended	213	224	224	5.1%	—%
VOU* (GB/sub/month)					
Postpaid	32.8	36.0	36.9	13%	2.5%
Prepaid	25.6	27.5	27.5	7.4%	—%
Blended	27.9	30.2	30.5	9.3%	1.0%
5G subscription					
5G subscription	7,770,000	9,865,700	10,578,600	36%	7.2%
Fixed Broadband Business					
FBB subscribers	2,328,700	4,815,000	4,881,900	110%	1.4%
FBB net addition	60,500	72,700	66,900	11%	-7.9%
FBB ARPU (Baht/user/month)	414	496	501	21%	0.9%

*Note: there has been a change in definition of VOU's calculation, numbers are restated since 2022

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1H24 Snapshot

1H24 core service revenue reported at Bt79,665mn, expanding 18% YoY, benefiting from TTTBB consolidation, growth momentum in mobile and organic growth fixed broadband services. Mobile revenue saw revival, increasing 4.0% YoY, fueled by rising data demand and higher tourist-related revenue. Fixed broadband grew significantly by 159% YoY, through acquisition of TTTBB, expansion into under-penetrated areas, and ARPU uplift from upselling bundled FBB products and content services. Enterprise and other service revenue rose 33% YoY following TTTBB revenue recognition and increased demand for connectivity products.

The cost of services increased by 12% YoY, from consolidation of TTTBB and higher depreciation and amortization costs which is increased by 16% YoY following 3BBIF fiber rental recognition, the acquisition of 700 MHz spectrum license in 4Q23, and ongoing 5G network expansion. Network OPEX increased 10% YoY due to TTTBB consolidation and higher network utilization. Total SG&A increased by 18% YoY, from a 25% increase of admin expense due to higher staff cost from acquisition and provision for obsolete equipment, while marketing expense benefited from government campaign and optimization effort, decreased by -3.6% YoY.

1H24 EBITDA increased by 21% YoY as a result of TTTBB EBITDA contribution and business growth. The net profit reported at Bt17,028mn, an increase of 22% YoY driven by operating performance and profit sharing from 3BBIF.

2Q24 Financial Summary

Revenue

In 2Q24, AIS generated a total revenue of Bt51,332mn, representing an increasing of 15% YoY, primary due to growth in all core businesses. The total revenue decreased -3.7% QoQ following lower device sales from seasonality compare to 1Q24.

Core service revenue (excluding IC and NT partnership) was at Bt40,229mn, increasing 19% YoY mainly from TTTBB revenue consolidation and growth of mobile business, while increasing 2.0% QoQ mainly driven by strong performance in the fixed broadband business along with a continue growth momentum in mobile revenue.

- **Mobile revenue** was at Bt30,775mn, increasing by 4.3% YoY due to ARPU improvements from package restructuring aimed at profitability and enhanced value-added services aligned with rising digital demand. It increased 1.4% QoQ from continued growth in the tourist segment and targeted cross-sell and upsell effort.
- **Fixed broadband revenue** was at Bt7,284mn, increasing 155% YoY and 2.3% QoQ from quality acquisition with higher ARPU from new subscribers, boosted by bundle services and upselling higher-value products to uplift existing subscriber ARPU.
- **Enterprise non-mobile revenue & others** was at Bt2,170mn, increasing 40% YoY from TTTBB consolidation and increasing 9.6% QoQ from sustained demand for digital connectivity services, including cloud, data centers, and EDS.

Revenue from interconnection charge (IC) and NT partnership was at Bt3,235mn, decreasing -5.2% YoY and decreasing -3.9% QoQ due to a lower interconnection rate and lower network traffic with NT.

SIM & Device sales reported Bt7,868mn, increasing 5.5% YoY due to gradual recovery of consumer purchasing power. However, the revenue decreased -25% QoQ due to seasonality and high base in 1Q24, which included a government tax campaign. The sales margin continued increasing from 4.7% in 1Q24 to 6.0% in 2Q24 due to subsidy optimization and higher mixed of high-margin handset.

Cost & Expense

In 2Q24, the **cost of service** was Bt24,904mn, increasing 12% YoY due to higher depreciation and fibre-related cost from consolidation of TTTBB. It stayed flat QoQ, mainly from higher network cost related with higher consumption, offset by cost efficiency effort.

- **Regulatory fee** was Bt1,577mn, increasing 15% YoY and -0.3% QoQ, in line with core service revenue movement. The regulatory fee as a percentage of core service revenue was 3.9%.
- **Depreciation & amortization** was at Bt14,738mn, increasing 15% YoY due to consolidation of right-of-use assets from TTTBB's acquisition. While, decreasing -0.5% QoQ due to fully depreciated 3G assets and an ROU discount rate adjustment for 3BBIF right-of-use assets in 1Q24, partially offset by accelerated 5G network rollout on 700MHz.
- **Network OPEX & NT partnership cost** was at Bt6,038mn, increasing 7.9% YoY from TTTBB cost and 2.5% increased QoQ, due to higher network utilization.
- **Other costs of service** recorded at Bt2,552mn, decreasing -1.3% YoY from lower IC cost related with lower IC rate, partially offset by higher IDD cost. and -1.6% QoQ mainly lower content cost from TTTBB synergy realization.

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SG&A expenses were Bt6,574mn, increasing 33% YoY mainly from TTTBB consolidation, while increasing 12% QoQ driven by a higher staff cost and admin expenses.

- **Marketing expenses** was Bt1,239mn, increasing 5.5% YoY from higher marketing spending related with higher revenue, while decreasing -6.3% QoQ from lower marketing activities. The marketing expense was at 2.4% of total revenue.
- **Admin & other expenses** were Bt5,335mn, increasing 41% YoY mainly from increased staff costs and admin expenses following TTTBB's acquisition, while increasing 17% QoQ due to accrued performance based staff cost and provision for obsolete equipment. The provision of bad debts as a % of postpaid and broadband revenue was 2.0% lower than 2Q23 at 2.4%

Net FX gain (loss) at Bt 73mn in 2Q24, compared to FX loss of Bt-198mn in 1Q24. AIS has the policy to mitigate the currency risk using hedging instruments where applicable.

Other Income (expense) at Bt 424mn, increasing 360% YoY and 2.5% QoQ mainly from recognition of 3BBIF's share of profit.

Finance cost was at Bt2,391mn, increasing 79% YoY, following higher interest-bearing debt from TTTBB acquisition and recognition of interest from 3BBIF right-of-use asset, while increasing 3.9% QoQ from ROU discount rate adjustment for 3BBIF in 1Q24. The average cost of borrowing was at 3.1% in 2Q24.

Income Tax was at Bt1,987mn, increasing 15% YoY, following the increase in profit before tax, while it stayed flat QoQ. The effective tax rate was at 19.3% slightly decreasing from 19.4% in 2Q23 due to profit sharing from 3BBIF which is under a tax exemption period.

Profit

In 2Q24, **EBITDA** was at Bt27,621mn, increasing 19% YoY following the increase of core service revenue and the positive contribution from TTTBB consolidation. It was decreasing -0.5% QoQ from increasing staff cost.

EBITDA margin was at 53.8%, increasing from 52.1% in 1Q24 due to revenue growth, improved device margin, and continue cost efficiency management.

The reported net profit was at Bt8,577mn, increasing 19% YoY due to operating performance and sharing profit from 3BBIF, while increasing 1.5% QoQ from lower depreciation and amortization.

Financial position

Total asset as of ending quarter declined -3.5% from the end of 2023 to Bt438,519mn. Current assets was at Bt41,136mn, decreasing -2.7% mainly from lower inventories related with handset sales during 1H24. Total non-current assets was at Bt397,383mn, decreasing -3.6% due to the amortization of spectrum licenses, PPE, and right-of-use assets.

Total liabilities amounted to Bt344,516mn, declined -5.3% due to lower long term borrowing from debt repayment and lower spectrum payable and lease liability. Interest-bearing debt stood at Bt115,837mn, decreasing by -9.0%. Net debt to EBITDA (including lease liabilities and license payable) was at 2.5x. Total equity was at Bt94,003mn, increasing 3.7% from increased retained earnings.

Cash flow

In 1H24, cash flow from operation (after tax) reported at Bt53,918mn, increasing 42% compare to 1H23 following a improvement in EBITDA. Net cash outflow from investing was at Bt16,848mn and at Bt5,189mn for spectrum license. As a result, free cash flow for 1H24 was at Bt27,945mn (OCF less CAPEX, spectrum license and lease liability). In summary, net cash decreased by Bt616mn resulting in an outstanding cash of Bt14,128mn at the end of Jun-24.

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Consolidated Profit and loss Statement

Income statement (Bt mn)	2Q23	1Q24	2Q24	%YoY	%QoQ	1H23	1H24	%YoY
Mobile revenue	29,495	30,339	30,775	4.3%	1.4%	58,753	61,114	4.0%
Fixed broadband revenues	2,857	7,118	7,284	155%	2.3%	5,566	14,401	159%
Other service revenues	1,551	1,980	2,170	40%	9.6%	3,115	4,150	33%
Core service revenue	33,903	39,437	40,229	19%	2.0%	67,434	79,665	18%
IC and NT partnership	3,413	3,366	3,235	-5.2%	-3.9%	6,668	6,601	-1.0%
Service revenue	37,315	42,803	43,464	16%	1.5%	74,102	86,267	16%
SIM and device sales	7,459	10,490	7,868	5.5%	-25%	17,385	18,358	5.6%
Total revenues	44,774	53,293	51,332	15%	-3.7%	91,487	104,625	14%
Regulatory fee	1,369	1,581	1,577	15%	-0.3%	2,762	3,158	14%
Depreciation & Amortization	12,787	14,816	14,738	15%	-0.5%	25,576	29,554	16%
Network OPEX and NT partnership	5,594	5,890	6,038	7.9%	2.5%	10,875	11,928	9.7%
Other costs of services	2,585	2,594	2,552	-1.3%	-1.6%	5,072	5,146	1.5%
Cost of service	22,334	24,881	24,904	12%	0.1%	44,285	49,786	12%
Cost of SIM and device sales	7,370	9,993	7,395	0.3%	-26%	17,122	17,389	1.6%
Total costs of service and sale	29,704	34,875	32,300	8.7%	-7.4%	61,406	67,174	9.4%
Gross profit	15,070	18,418	19,032	26%	3.3%	30,080	37,451	25%
SG&A	4,947	5,890	6,574	33%	12%	10,548	12,464	18%
Marketing Expense	1,175	1,322	1,239	5.5%	-6.3%	2,657	2,561	-3.6%
Admin and others	3,772	4,568	5,335	41%	17%	7,891	9,903	25%
Operating profit	10,123	12,529	12,458	23%	-0.6%	19,533	24,987	28%
Net foreign exchange gain (loss)	22	-198	73	230%	137%	85	-125	-247%
Other income (expense)	92	414	424	360%	2.5%	225	838	272%
Finance cost	1,333	2,300	2,391	79%	3.9%	2,583	4,691	82%
Income tax	1,723	1,993	1,987	15%	-0.3%	3,320	3,980	20%
Non-controlling interest	-1.3	-0.4	-0.5	64%	-14%	-2.0	-0.9	57%
Net profit for the period	7,180	8,451	8,577	19%	1.5%	13,937	17,028	22%
EBITDA	23,256	27,769	27,621	19%	-0.5%	45,817	55,389	21%
EBITDA margin (%)	51.9 %	52.1 %	53.8 %	187bps	170bps	50.1 %	52.9 %	286bps

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Financial Position (Bt mn%to total asset)	4Q23		2Q24	
Cash	14,744	3.2%	14,128	3.2%
ST investment	557	0.1%	469	0.1%
Trade receivable	19,356	4.3%	19,188	4.4%
Inventories	4,147	0.9%	3,433	0.8%
Others	3,477	0.8%	3,918	0.9%
Current Assets	42,281	9.3%	41,136	9.4%
Spectrum license	121,154	27%	114,641	26%
Network and PPE	139,224	31%	132,968	30%
Right of use	101,225	22%	96,026	22%
Intangible asset	20,882	4.6%	23,666	5.4%
Defer tax asset	3,703	0.8%	3,717	0.8%
Others	25,970	5.7%	26,365	6.0%
Total Assets	454,439	100%	438,519	100%
Trade payable	16,031	3.5%	15,143	3.5%
ST loan & CP of LT loans	57,404	13%	53,087	12%
CP of lease liabilities	15,062	3.3%	15,955	3.6%
Accrued R/S expense	3,361	0.7%	3,361	0.8%
CP of spectrum payable	12,599	2.8%	15,524	3.5%
Others	29,190	6.4%	28,080	6.4%
Current Liabilities	133,647	29%	131,150	30%
Debenture & LT loans	69,840	15%	62,750	14%
LT lease liabilities	100,077	22%	94,179	21%
Spectrum payable	51,610	11%	44,306	10%
Others	8,587	1.9%	12,131	2.8%
Total Liabilities	363,761	80%	344,516	79%
Retained earnings	65,515	14%	68,834	16%
Others	25,163	5.5%	25,169	5.7%
Total Equity	90,678	20%	94,003	21%

Key Financial Ratio	2Q23	1Q24	2Q24
Debt to equity (times)	2.7	4.3	3.7
Interest-bearing debt to equity (times)*	1.0	1.4	1.2
Net debt to EBITDA (times)*	0.8	0.9	0.9
Net debt & lease liability & spectrum license payable to EBITDA	1.9	2.5	2.5
Current Ratio (times)	0.5	0.3	0.3
Interest Coverage (times)	17.7	12.1	11.8
Debt Service Coverage Ratio (times)	3.6	1.6	1.6
Return on Equity	32 %	38 %	37 %

Figures from P&L are YTD annualized.
*Exclude Lease liability

Bt mn	Debt Repayment Schedule		License payment schedule		
	Debenture	Loan	900MHz	2600MH	700MHz
2H24		46,001*	7,565		
2025		9,102	7,565	2,934	5,189
2026	15,180	6,853		2,934	5,189
2027	9,000	6,110		2,934	5,189
2028	9,500	5,130		2,934	5,189
2029				2,934	5,189
2030	3,000			2,934	5,189
2031	3,000				
2032					
2033	3,000				
2034					

*Including bridge loan for financing TTTBB's deal.

Credit Rating

Fitch National rating: AAA (THA), Rating Watch On
S&P BBB+, Outlook: Stable

Source and Use of Fund: 1H24 (Bt.mn)

Source of fund	Use of fund
Operating cash flow	57,801 Net CAPEX & Fixed assets
Proceed from capital reduction of investment in an associate	532 Net borrowings payment
Interest received	110 Dividend paid
Other	24 Lease liability payments
	Spectrum licenses
	Income tax paid
	Finance cost payments
Cash decrease	616
Total	59,083

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2024 Guidance remains unchanged

	Guidance	1H24 Performance
Core service revenue	Around 13 - 15%	18%
EBITDA	Around 14 - 16%	21%
CAPEX (exclude spectrum)	Approx. Bt 25-26bn	12bn (Cashflow)

Core service revenue to grow around 13-15%

Despite 1H24 surpassing guidance due to the mobile recovery driven by higher demand for data consumption, AIS takes a cautious stance for 2H24 and maintains the guidance due to the upcoming low seasonality in 3Q24 and uncertainty in the economic outlook. Factors contributing to this caution include revised lower growth estimates for Thai GDP, rising household debt, and sluggish consumer sentiment in the low-income segment.

Nonetheless, all efforts will be made to continue the momentum from 1H24. Growth is expected to be driven by the TTTBB acquisition and strong momentum of organic performance, bolstered by increasing tourist-related activities and government budget disbursement. Our propositions remain focused on delivering convergence across our services, leveraging our customer relationships, and continuously enhancing the value of our multi-product offerings.

- **Mobile** to focus on sustaining leadership in network quality and coverage, personalized segmented offerings, value-uplifting proposition with 5G, FMC, and privilege ecosystems, as well as delivering superior digitized service quality to the customers.
- **Broadband** to benefit from TTTBB acquisition and continue the growth momentum with a larger subscriber base, leveraging a combined coverage across Thailand, innovative product offerings, and superior service quality to offer more than broadband experiences. The key focus would also be on integration activities in combining the operations to achieve operational efficiencies and synergies.
- **Enterprise** to focus on profitable growth with digital technology and evolving socioeconomic context, leveraging on connectivity with enhanced technologies, value-added digital product offerings, and differentiated 5G Paragon platform.

EBITDA growth around 14-16% focusing on profitability

Along the same line as core service revenue, EBITDA guidance is still maintained. The budget underspent in 1H24 is expected to rise in 2H24 in line with plans to sustain market leadership.

Nonetheless, AIS will continuously execute cost optimization while accelerating TTTBB synergies to achieve higher efficiency while improving product delivery and superior customer experience, AIS will continue to enhance IT processes & systems, autonomous network, data analytics, and people capability. Optimal capital allocation will be executed to improve efficiency to maximize value to customers and stakeholders.

CAPEX approx. 25-26bn to sustain quality with optimization

CAPEX this year is expected to be lower than in previous years, benefiting from the acceleration of the 700MHz 5G rollout in the prior year and leveraging TTTBB's larger broadband footprint. The optimized spending is in line with the business ambition to bring in and maintain quality customers through sustained network leadership. The broadband growth would continue in the new areas while achieving CAPEX synergy from a combined broadband network. Approximately, 60% of CAPEX is for mobile business, 28% in broadband business, and the rest in enterprise and others.

Dividend policy at minimum 70% of net profit

AIS is committed to driving long-term growth while delivering returns to shareholders. We place importance on maintaining strong financial health and flexibility to pursue future growth. Our dividend policy is to pay a minimum of 70% of net profit. By preserving cash flow, we ensure that we have the financial flexibility to lead, compete, and pursue growth prospects in any changing circumstances.

The dividend payment shall be made twice a year and is based on consolidated earnings and subjected to the availability of retained earnings on the separate financial statements. In all cases, dividend payment shall depend on cash flow and investment plan including any other future obligations of the Company and/or subsidiaries. Such dividends shall not adversely affect the Company and its subsidiaries' ongoing operations.

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Sustainability Updates

as of 2023

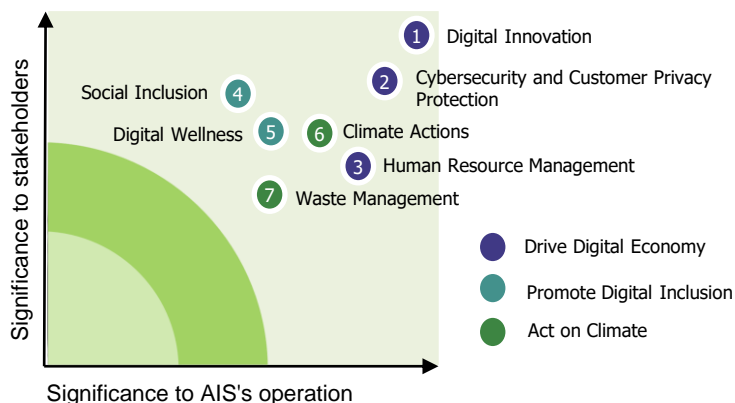
Sustainability Development Strategy

In driving sustainable business operation, Sustainable Development Committee (SDC) was assigned to govern policy, strategies, goals, and material aspects with providing consultancy and support management to operate business as sustainability framework.

AIS' sustainable development framework comprises three dimensions:



Materiality Assessment



Disclosure standard and ESG Rating

Disclosure Standards

- **GRI:** Global Reporting Initiative
- **UNGC:** United Nations Global Compact
- **SASB:** Sustainability Accounting Standard Board
- **CDP:** Carbon Disclosure Project
- **TCFD:** Task Force on Climate-Related Financial Disclosure

2023 Rating

- AA rating on MSCI ESG ratings
- Member of DJSI World and member of Sustainability Yearbook
- FTSE 4 Good Index Series
- AAA rating on SET ESG rating
- "Excellent" based on Corporate Governance Report (CGR) of Thai Listed Companies by IOD

Drive Digital Economy

Strive to develop digital innovations to enhance Thai people and business sector by providing safe digital services, protecting data privacy, and promoting digital literacy for AIS employees.

- Protecting network systems and personal data privacy.
- Enhancing the board of director effectiveness with diverse knowledge and abilities.
- Delivering appropriate returns to all stakeholders.

Key Performance Table	Unit	2021	2022	2023
New digital services revenue	%	NA	4.1	4.1
Litigation or fine from data leakage, theft, or loss	Number of cases	0	0	0
Independent Director	%	36	36	36
Women director on board	%	18	18	18
Gender employee diversity (women)	%	61	60	59

Promote Digital Inclusion

AIS is committed to advancing Thai society through the digital infrastructure and digital platform and encouraging responsible use of digital technologies. as follows:

- Expand 5G Network coverage continuously.
- Develop digital platforms to promote digital access for enhancing the quality of life in Thai society.
- Promote appropriate and secure internet and social media usage.
- Foster comprehensive development and care for employees.

Key Performance Table	Unit	2021	2022	2023
5G network coverage	% population	76	85	90
Improving socio-economic condition and quality of life	Million Person	NA	2.19	2.57
Promoting digital wellness	Million Person	NA	0.21	0.51

Act on Climate

AIS aims to reduce environmental impacts through business operational management as follows:

- Increase the use of electricity from renewable energy sources i.e., by installing solar energy systems at base stations nationwide.
- Improve network energy efficiency.
- Promote efficient water use and water recycling.
- Properly manage e-waste disposal and develop e-waste projects.

Key Performance Table	Unit	2021	2022	2023
GHG Emissions (scope 1 and 2)	Ton CO ₂ e	645,321	675,497	704,264
GHG emission intensity	Ton CO ₂ e /Terabit	0.01	0.008	0.007
Renewable energy	%	1.23	1.73	2.25
Water Discharge	%	NA	51	34
Disposal Electronics waste to landfill	Ton	NA	0	0

More information of sustainability development strategy and performance can be found in AIS Sustainability Report 2023.

Link to sustainability report: <https://sustainability.ais.co.th/storage/sustainability-report/2023/20240219-advanc-srd-2023-en.pdf>

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Glossary

Subscriber	Number of registered SIM at ending period whose status is not defined as churn
Postpaid churn	Subscribers whose payment status is overdue more than 60 days from due date
Prepaid churn	Subscribers who do not refill to extend their validity within 45 days or subscribers who are inactive more than 90 days
Net additions	Change of number of subscribers from beginning period to ending period
Churn rate	Number of subscriber disconnections in the period divided by the sum of gross new subscribers in the period and the subscribers at the beginning period
ARPU	Consolidated service revenue excluding inbound international roaming and interconnect revenues divided by average of subscriber at the beginning and ending period
VOU	Number of billed gigabyte generated from subscriber divided by average subscriber
EBITDA margin	$EBITDA / Total\ Revenues$
Interest-Bearing Debt to Equity	$Interest\ Bearing\ Debt / Ending\ Equity$
Debt to Equity	$Ending\ Liability / Ending\ Equity$
Net Debt to EBITDA	$(Interest\ Bearing\ Debt - Cash) / EBITDA$
Net Debt to EBITDA (Incl. lease liability and spectrum license payable)	$(Interest\ Bearing\ Debt + Lease\ Liability + Spectrum\ License\ Payable - Cash) / EBITDA$
Interest Coverage	$EBITDA / Finance\ Cost$
Debt Service Coverage Ratio	$EBITDA / (Debt\ Repayment\ Within\ 1\ Year\ Including\ Lease\ Liability)$
ROA	$Net\ Profit / Average\ Asset\ Between\ Beginning\ and\ Ending\ Period$
ROE	$Net\ Profit / Average\ Equity\ Between\ Beginning\ and\ Ending\ Period$
Free Cash Flow (FCF)	$Net\ Cash\ Flow\ From\ Operating\ Activities - CAPEX - Lease\ Liability\ Paid$