The Change and Development of Thailand in the past 6 months

2X mobile internet usage from last 6 months
Mobile internet usage per person grew 2 times from 3GB – 6GB

2X internet video consumption
Time spent on mobile contributes for 49% vs 36% TV

+400 new start-ups launched in Thailand
In all industries, start-up company grew from 600 -> 1,000 in 1H17

30 smart farming started
Started in every province and contributing 3% of the industry

Eastern Economic Corridor started
13,000 sqr km of land for the new hub started

High speed trains will start in 2020
Connected all major provinces of Thailand and the CLMV

AIS

THAILAND 4.0
Prosperity, Security, Sustainability
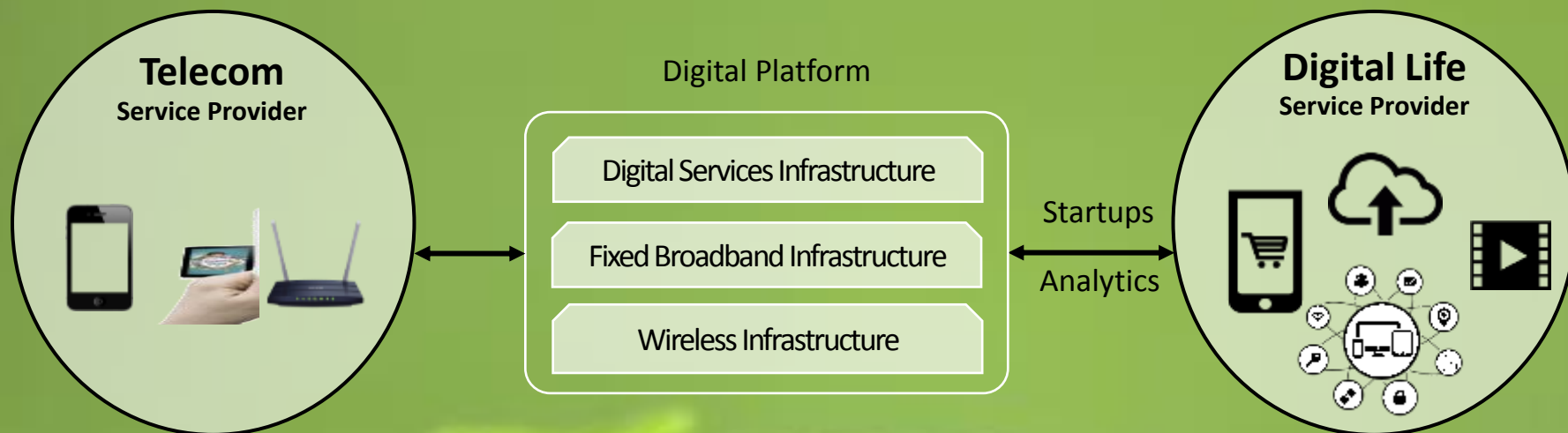
Innovative/Value-based Industry

High Income Country

- Economic Prosperity,
- Social Well-Being,
- Raising Human Value,
- Environment Protection

Thailand 3.0
Heavy Industry

Middle Income Trap
Inequality & Imbalance

Thailand 2.0
Light Industry

Thailand 1.0
Agriculture

AIS Transformation

Telecom
Service Provider

Digital Platform

Digital Life
Service Provider

Digital Services Infrastructure

Fixed Broadband Infrastructure

Wireless Infrastructure

Startups

Analytics

LEAN PATH

Culture Transformation

SMART PATH

AIS **DIGITAL TRANSFORMATION**

Next Generation
Network

Next Generation
Economy

Next Generation
Xperience

Next Generation
Team

Overview of AIS digital transformation toward 2020

AIS

| Next Generation
Network | Next Generation
Economy | Next Generation
Xperience | | Next Generation
Team |

Network Function Virtualization & Cloudification	Contents and Enterprise Segments	Customer Value Management	Full Service Digitization	Organization Transformation

• Future-proof and 5G-Ready networks • Transform legacy IT systems to Cloud friendly network architecture • AI for network operation	Capturing new opportunities in: • IoT • SME & R-SME • Managed Security • Mobile Digital Marketing Maximize value of contents: • Branding • Retention • Revenue	Data-driven analysis based on customer insights: • SOC, a tool to empower using network analytics • Segmentation and targeted offerings Converged Mobile, Fibre & Content bundling	• Digitization of all customer journeys • AI/Chatbots embedded into all self-service channels • Full deployment of OMNI channels	• Organization readiness for digital disruption • Leverage capabilities and create synergies in value chain supporting digital business objectives

7

Target of AIS digital transformation

Next Generation **N**etwork		Next Generation **E**conomy	Next Generation **X**perience		Next Generation **T**eam
Network Function Virtualization & Cloudification		**Contents and Enterprise Segments**	**Customer Value Management**	**Full Service Digitization**	**Organization Transformation**

Target 2020

• > 90% cloudification • Network virtualization ready for 5G	• Expand revenue contribution of enterprise business from 9% to 25%	• Move from ARPU to ARPH • Improve revenue assurance and increase proportion of valued users	• Provide shops & services that never sleep	• Data driven organization & culture

Savings/benefits

• Capex savings due to higher network capacity per footprint • Improve opex efficiency	• Potential new revenue stream, serving emerging market needs	• Enhance customer satisfaction • Potential margin expansion and efficient cost structure from effective marketing offerings • Strengthen customer loyalty and stickiness through convergence	• Provide more options for customers including full control of service 24/7 • Improve cost efficiency from reducing service cost per head & human touch points • Improve revenue generation from staff focusing more on sales activities	• Ability to proactively service and exceed the expectations of the new generation of digital customers

8

TEAM, the most important element in digital transformation

Digital Disruption Disrupts the Unprepared

- **Technology** swiftly changes
- **Customers** are more sophisticated and have many choices
- **Products** and services come in new business models
  - Shorter time to market
  - Online and customized

Leverage TEAM Capability to Support Digital Business

- **Strengthen** existing competitive advantage
  - Telecoms stay in the center of change
  - High employee engagement
- **Create** synergies with partners
  - Embed outside expertise into inside know-how

Expand Beyond Traditional to Digital

- **Build digital environment and enhance new skillsets**
  - Innovation-driven
  - AIS ACADEMY/IC/D.C.
  - Job rotation
- **Cultivate fair culture**
  - Less hierarchy
  - Rewards based on merit

Online library of trainings & seminars

ENGLISH ONLINE

AIS Academy

Coaching of mindset and skillset

"ACT – AIS Creative Talents"

Courses on business management

HARVARD BUSINESS SCHOOL

Innovative Space

AIS INNOVATION CENTRE

THE SPACE
4th Floor

THE PLAYHOUSE
6th Floor

THE DISCOVERY
8th Floor

Note: Located in SC Tower

INNOVATION TEAM SYNERGY

INSPIRATIONAL INNOVATION

PRACTICAL INNOVATION

Budget Bt100mn

PRESENTATION & PITCHING

PROTOTYPING & TESTING

13