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AIS-CP 009/2019

19 June 2019

Subject: Receiving the allocation of 700MHz license
To: The President of the Stock Exchange of Thailand

Advanced Info Service Public Company Limited (the Company) would like to inform that on 19 June 2019, Advanced Wireless Network Company Limited (AWN), the 99.99% subsidiaries, has applied for the allocation of 700MHz spectrum licensing for telecommunications service with the Office of National Broadcasting and Telecommunications Commission (NBTC). On such date, the NBTC has announced that AWN has the right to obtain license to use 700MHz spectrum, lot no. 3 in the frequency range 723-733MHz paired with 778-788MHz (2 x 10 MHz bandwidth). The license period is 15 years starting from the date of obtaining the license, with the license period starts on 1 October 2020 or other date determined otherwise by the NBTC. The total spectrum price is 17,584 million baht (excluding VAT) with the following payment term.

Instalment	Payment period	License payment (million baht)	
1	Not less than 15 days before the starting date of the license and submit a letter of bank guarantee for the remaining amount.	10% of license price	1,758.4
2-10	Within 15 days from the anniversary date of the use of spectrum each year and submit a letter of bank guarantee for the remaining amount.	10% of license price in each payment period of the year 2-10	1,758.4 for each instalment
	Total		17,584

Note: The License price above excludes VAT.

Prior to receiving the license, the NBTC will notify AWN not less than 90 days before the starting date of the license, which AWN must comply with the rules and conditions announced by the NBTC including paying the first installment before the starting date of the 700 MHz spectrum license.

Rationale and benefits of 700MHz spectrum

Considering the 5G technology standard, a combination of spectrum ranging from high band (above 6GHz), mid band (between 2-6GHz), and low band (below 2GHz) will enhance the provision of 5G services as well as the flexibility for network investment. The 700MHz spectrum is a standard low-band frequency for 5G, which instills an outstanding characteristics of wider coverage. Therefore, the acquisition of 700MHz spectrum license marks an important execution in preparation for 5G technology, which is to take place in the next 2-3 years. Meanwhile, the readiness of 700MHz-compatible network equipment,



customer devices as well as 5G use cases will become more prevalent during those periods. It is expected that 5G commercial services will involve Virtual Reality and Augmented Reality in entertainment and gaming, Internet of Things (IoT), and Fixed Wireless Access (FWA) service as well as Private Network for Enterprises, all of which are to become potential new revenue streams for telecommunication industry.

In addition, the 700MHz spectrum can be beneficial to deploy into the current network in order to support the expansion of network capacity and coverage in the near term. This shall result in saving of investment to increase mobile network base stations and the enhancement of overall efficiency of network management as well as customer experience, especially for indoor coverage.

With the abovementioned, AIS evaluated that the acquisition of 700MHz spectrum will provide accretive value and strengthen our leadership in both short and long-term. In accordance with the NBTC's announcement, the licensee is entitled to receive the license and start utilizing the spectrum from 1 October 2020 onwards, or otherwise stated by the NBTC, from which the license will be recognized as asset and amortized over its license period. Meanwhile, AIS will collaborate with various organizations including the NBTC on research and development of 5G service and use cases to ensure proper investment plan.

Please be informed accordingly.
Yours faithfully,

-Signed-

Mr. Somchai Lertsutiwong
Chief Executive Officer
Advanced Info Service Plc.