

# *2024 Annual Report*

## *Letter to shareholders*

**CHAIRMAN** *Daniel M. Tsai*



Dear Shareholders,

Taiwan Mobile (“TWM”, or “the Company”) and Taiwan Star officially merged on December 1, 2023. Thanks to the efforts of all employees, network and systems consolidation was completed ahead of schedule. The telecommunications industry has returned to a three-player market following TWM’s and Far EasTone’s acquisition of the smaller players, allowing the three operators to benefit from expanded scale. Blessed with more abundant capital, these operators can broaden their investment portfolios, strengthen their technological capabilities, and offer consumers more premium and differentiated services.

As the telecommunications industry moves beyond the vicious cycle of price competition and enters a new era focused on meaningful value creation, TWM is accelerating the development of its 'Telco+Tech' businesses to continue driving growth. At the same time, the Company is committed to implementing world-class corporate governance standards internally while balancing shareholder interests and customer satisfaction externally. With sustainability at its core, TWM aspires to serve as a beacon of corporate social responsibility.

2024 operating and financial results

Propelled by the two growth engines—mobile business and home broadband—TWM delivered impressive financial results in 2024. In the mobile business, TWM’s existing smartphone postpaid ARPU maintained healthy growth momentum, and benefited from the revenue contribution from Taiwan Star. Aided by the launch of the iPhone 16 series and contributions from unique bundles such as momobile, Double Play and OP Life, TWM’s 5G penetration rate among postpaid users exceeded 40%, driving overall mobile service performance. This demonstrated the Company’s ability to enhance customer loyalty, increase user value, and strengthen its differentiated competitive advantage. In 2024, TWM’s consolidated revenue rose 9% YoY to NT\$199.4 billion, and EBITDA surged 19% YoY to NT\$42.5 billion — both setting historical records. Operating income grew by 15% YoY to reach an 11-year high on the back of merger synergies, while EPS of NT\$4.57 marked a 6-year high.

New business roadmap and group resources integration

Building on its telecom services, TWM continued to expand its 5G ecosystem and developed a range of unique plans to meet users’ needs. Driven by technology and innovation, the Company closely collaborated with AppWorks and momo, actively positioning itself in areas such as AI, mocoins, telecom finance and the electric vehicle ecosystem. Additionally, the Company formed strategic partnerships with Systex and USPACE to work on advanced applications for the AI era, reshaping the telecommunications industry’s landscape and forging a unique path for itself as a technology and telecom company.

Innovative applications and research results

By incorporating technology into telecommunications, TWM has broken through the traditional homogeneous competition in the telecommunications industry, creating differentiated services and new business models. Amid the rise of generative AI, TWM is accelerating the integration of AI into its products and internal operations, while developing innovative services such as AI Voicebot Identity Verification, AI Customer Service Voicebot, Smart Telemarketing Service and Digital Identity Verification(eKYC). To address growing cybersecurity threats, TWM introduced enterprise versions of the "Anti-fraud Service" and "Worry-Free Call" number-masking service for the financial, e-commerce, logistics and other critical industries. The Company also launched retail versions of the "Anti-fraud Service" to help consumers and businesses combat fraud. At the same time, TWM integrated technological research and applications to provide a tailored "AI 2.0 Solution" for enterprise clients, helping businesses seize the opportunities brought by advancements in AI. The digital transformation solutions package "OPBiz" was enhanced, with upgraded features such as smart dining, AI voice reservation and smart recording, to aid small and medium-sized enterprises in capturing new AI-driven business opportunities.



Leader in Promoting Sustainable Development

Rooted in integrity, TWM aspires to become a role model in sustainability. The Company was the first telecom operator to promote the “Sustainability Committee” to a board-level functional committee, and the remuneration of the Company’s senior management is linked to the firm’s ESG performance, showcasing the efforts across the organization to meet sustainability goals. In response to the global trend toward net zero emissions, TWM participates in international sustainability initiatives, including the EV100, a global initiative to accelerate the transition to electric vehicles. The Company has set four pledges and two action plans, providing concrete solutions to attain the goal of 100% electrified transportation by 2030. By strategically investing in the establishment of Fubon Energy, TWM is working toward its goal of using 100% renewable energy by 2040. Realizing the importance of working in harmony with nature, TWM published its first “Taskforce on Nature-related Financial Disclosures” report in 2024. The Company plans to embed natural and economic factors into future strategies to drive the industry toward positive sustainable development.

Operational achievements and sustainability honors

TWM has consistently made progress in the areas of environment, social responsibility and corporate governance. It has won numerous prestigious awards internationally and domestically in recognition of its efforts through the years. In 2024, TWM ranked among the top three in the global telecommunications industry on the Dow Jones Sustainability Index (DJSI World) for 8 consecutive years and was selected as a constituent of the DJSI Emerging Markets Index for 13 consecutive years. It also ranked among the top 5% in a corporate governance evaluation of listed companies for 10 consecutive years and was included in the Taiwan Sustainability Index for 7 consecutive years.

TWM’s achievements in sustainability have also been widely recognized. In 2024, the Company received a top “A” rating from the Carbon Disclosure Project (CDP) for climate change for the 4th time, as well as an “A” rating for supplier engagement for 3 consecutive years. Moreover, for the first time, TWM won the “Corporate Sustainability Award” and “CEO of the Year” at the IDC Future Enterprise Awards. Additionally, the Company received multiple honors and awards from publications such as Global Views Monthly and Commonwealth Magazine.

TWM has received multiple plaudits from the investment community, with its management team ranking first in the telecommunications industry in Asia excluding Japan and China in Institutional Investor’s survey for 3 consecutive years. In 2024, the Company once again ranked first in numerous categories, including CEO, CFO, investor relations, ESG and board of directors. Furthermore, the merger with Taiwan Star clinched double awards at the 2024 MAPECT Taiwan M&A Awards – “Deal of the Year M&A Award” and “Most Influential M&A Deal Award” – with TWM the only telecom operator to receive such honors.

Valuing shareholders' interests and customer satisfaction

Industry consolidation bodes well for a more rational operating environment. An expanded user base and merger synergies have propelled the Company’s revenue and profit growth. Stable free cash flow generation increases our financial flexibility and helps improve shareholder returns. In terms of user experience, the 4G and 5G bandwidth for existing TWM users increased by approximately 70%, while that for former Taiwan Star users more than doubled following the completion of network consolidation. Furthermore, network coverage in rural areas improved to over 99%, narrowing the digital divide.

Outlook

Over four years have passed since the launch of 5G in Taiwan, and we are now entering a critical scaling phase. At the same time, AI is driving a global transformation, fundamentally reshaping the future of humanity. At this pivotal moment, TWM successfully completed its merger with Taiwan Star, ushering in a new era in Taiwan’s telecommunications industry. We aim to focus on users, leverage our ICT capabilities and group resources, and integrate diverse services across the financial, telecommunications, digital and retail sectors, while seizing AI business opportunities and expanding the 5G ecosystem. As our profit flywheel continues to gather momentum, more value will be created for users, employees, shareholders and all stakeholders.

Daniel M. Tsai  
Chairperson