



ALT Telecom Public Company Limited

Management Discussion and Analysis for the second quarter ended June 30, 2022

EXECUTIVE SUMMARY

The performance of ALT Telecom Public Company Limited ("ALT" or the "Company") as shown in consolidated financial statement for the second quarter ended June 30, 2022 compared to same period of previous year was summarized as follows;

		Million THB					
Income Statement	Q2/2022		Q2/2021		Up (Down)		
Revenues							
Sales	23.69	9.4%	7.09	2.3%	16.60	234.0%	
Services- construction	125.39	49.6%	218.73	71.3%	(93.34)	-42.7%	
Services - network	103.73	41.0%	81.01	26.4%	22.71	28.0%	
Total revenues	252.81	100.0%	306.83	100.0%	(54.03)	-17.6%	
Cost							
Cost of sales	(21.58)	-91.1%	(3.67)	-51.8%	17.90	487.7%	
Cost of services - construction	(94.83)	-75.6%	(144.22)	-65.9%	(49.39)	-34.2%	
Cost of service - network	(90.43)	-87.2%	(82.92)	-102.4%	7.50	9.0%	
Total cost	(206.83)	-81.8%	(230.82)	-75.2%	(23.98)	-10.4%	
Gross (loss) profit							
Gross (loss) profit	45.97	18.2%	76.01	24.8%	(30.04)	-39.5%	
Other income	5.26	2.1%	5.29	1.7%	(0.02)	-0.5%	
Selling expenses	(17.33)	-6.9%	(16.34)	-5.3%	0.99	6.0%	
Administrative expenses	(31.94)	-12.6%	(57.06)	-18.6%	(25.12)	-44.0%	
Loss from exchange rate	4.97	2.0%	3.99	1.3%	0.98	24.6%	
Share of loss of associate	(1.85)	-0.7%	(0.58)	-0.2%	(1.26)	-216.1%	
Share of gain of JV	0.95	0.4%	(4.34)	-1.4%	5.29	121.8%	
Finance costs	(4.25)	-1.7%	(3.13)	-1.0%	1.11	35.5%	
Profit (loss) before income tax	1.79	0.7%	3.83	1.2%	(2.04)	-53.2%	
Income tax	(0.46)	-0.2%	(3.26)	-1.1%	(2.80)	-85.9%	
Profit (loss) for the period	1.33	0.5%	0.57	0.2%	0.76	134.9%	

- Total revenue decreased by 17.6% from THB 306.83 million in Q2/2021 to THB 252.81 million in Q2/2022. Revenue from the construction service dropped 42.7%, while the revenue from sale and network services continued to grow.
- Specifically, the revenue from network services increased by 28.0% from THB 81.01 million to THB 103.73 million, and has a tendency to grow continuously.
- Revenue from sales of products increased by 234.0% from THB 7.09 million to THB 23.69 million. Solar panel was the major product, which generated more revenue.
- Gross profit changed in the same direction as revenue. The gross profit from the construction and installation service decreased by 59.0%, while the gross profit from network service changed in a better direction, growing by 795.9% turned from a loss of THB 1.91 million to a profit of THB 13.30 million.
- Administrative expenses decreased from THB 57.06 million to THB 31.94 million because in Q2/21, there was a provision for doubtful debts of the contract receivables.
-



ALT Telecom Public Company Limited

Management Discussion and Analysis for the second quarter ended June 30, 2022

- The Operating results in Q2/22 had a net profit of THB 1.33 million, increased from a profit of THB 0.57 million in Q2/21.
- At the end of Q2/2022, the Company has backlog on hand in the number of THB 3,360 million.

Financial Position			Million THB	
	30-Jun-22	31-Dec-21	Up (Down)	
Assets				
Current assets	980.13	923.00	57.13	6.2%
Non-current assets	1,921.83	1,757.21	164.62	9.4%
Total assets	2,901.96	2,680.21	221.75	8.3%
Liabilities & equity				
Current liabilities	902.14	655.93	246.21	37.5%
Non-current liabilities	310.31	328.78	(18.47)	-5.6%
Total liabilities	1,212.45	984.72	227.73	23.1%
Paid-up capital	566.11	566.11	-	0.0%
Share premium	1,341.06	1,341.06	-	0.0%
Other component	33.60	33.60	-	0.0%
Retained earning	(251.50)	(245.53)	(5.97)	2.4%
<i>Legal reserve</i>	<i>62.50</i>	<i>62.50</i>	-	<i>0.0%</i>
<i>Unappropriated</i>	<i>(314.00)</i>	<i>(308.03)</i>	<i>(5.97)</i>	<i>1.9%</i>
Non-controlling interests	0.24	0.24	(0.01)	-2.5%
Total equity	1,689.51	1,695.49	(5.98)	-0.4%
Total liabilities & equity	2,901.96	2,680.21	221.75	8.3%

	30-Jun-22	31-Dec-21
Debt to equity	0.72	0.58
Net interest bearing debt to Equity	0.08	-0.10
Current Ratio	1.09	1.41

- The total assets of the company increased by THB 221.75 million. The changes consisted of increase in inventory THB 61.69 million, which prepared for installation according to the increase in sale orders, increase of trade accounts receivable and service contract THB 55.09 million as well as increase in investment assets of THB 216.30 million.
- Total liabilities increased by THB 227.73 million. The main items that increased were trade accounts payable THB 47.47 million and bank loans THB 226.52 million.
- The change resulted in a slight increase of Debt Equity Ratio from 0.58 at the end of 2021 to 0.72 at the end of Q2/22. Current Ratio decreased from 1.41 at the end of 2021 to 1.09 at the end of Q2/22. Anyhow, the ratio of net interest bearing debt to equity remained low at 0.08
- The net interest-bearing debt to equity ratio is negative because the Company has higher cash balance than interest-bearing debt.

Cash Flow	Million THB	
	6M/2022	6M/2021
Net cash generated from operation	(64.88)	34.07
Net cash generated from investment	(197.86)	(36.90)
Net cash generated from finance	186.08	(325.10)
Net cash flow	(76.66)	(327.93)
Beginning cash	253.42	497.44
Ending cash	176.76	169.51



For the 6 months period of 2022, the Company had net payment cash flow from operations of THB 64.88 million, cash used for investment of THB 197.86 million and cash received from financing of THB 186.08 million. The end of Q2/2022 the Company had cash on hand amounting to THB 176.76 million.

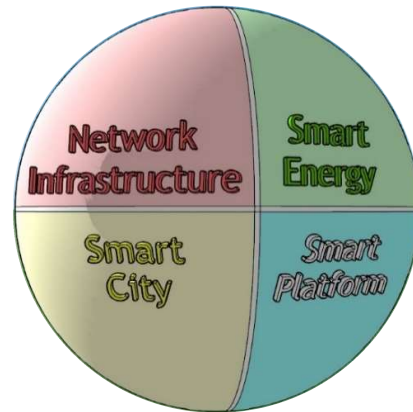
DIRECTION AND STRATEGY OF BUSINESS DRIVING IN 2022

VISION:

To be the infrastructure provider's leader in digital and renewal energy business

MISSION:

To provide digital and renewable energy infrastructure for both government agency and enterprise, to increase service quality by focusing on cost efficiency and making better utilization of resources, also partnering with the well-recognized organization in technology and business networks



Since the current year, the Company continues to move forward to provide network services to support growth and promote Thailand to become an ASEAN DIGITAL HUB along with expanding services to Smart and Renewable Energy Businesses. including enhancing services to support the development of Smart City by using various applications-platforms

Telecom Infrastructure Business

Fiber optic network which is the main business of the Company. The Company has already set up a backbone network for investment covering the entire country, including the construction of base stations to connect to the networks of operators in neighbouring countries such as Myanmar, Laos, Cambodia and Malaysia. For serving domestic customers, the services will be provided by the joint venture companies named Smart Infranet Company Limited. and Information Highway Co., Ltd., while the services for international customers will be provided by its subsidiary, International Gateway Co., Ltd. Including an associate company, namely, Myanmar Information Co., Ltd., a Myanmar-based company, provides internet services to customers in Yangon.

Revenue from network services continues to grow. In particular, the Company has completed the construction of a cable landing station (CLS) in Satun province. it has already delivered to the customer in August 2022.

From the success of the first project, the company has provided CLS services to international customers who is a world-class service provider has helped to enhance credibility of the Company. This led to acquire another world-class customer, which. the Company has completely entered into the 20-year term contract in April 2022 with the total value more than THB 1 billion.



Smart Grid & Smart Energy

Due to the service of system design and installation of the smart grid in Pattaya Chonburi Province, for the Provincial Electricity Authority, which was a pilot project of the smart grid in Thailand. There is a high probability that the government will expand the project size to cover major cities throughout the country. So, it is a high growth business. In 2020, the Company has invested to buy out the majority shares of Energy Max Co., Ltd., a smart meter manufacturer for the Provincial Electricity Authority, in order for preparing the readiness of growth.

In addition, the Company has expanded its business into the energy management by investing Solar Rooftop system and equipment to provide the service for any government entity and private sectors, such as the factory and medium-size companies, to assist the customer produce its own electricity to substitute the purchased electricity. The customers paid to the Company for its energy management service, which is cheaper than the current electricity cost. There is no further cost charged to customers. Apart from cost saving, the customers also involved in environmental protection, to reduce greenhouse gas emissions by using renewable energy.

At present, the company has contracts with more than 10 customers with a total production capacity of 10 Mwh, contracts ranging from 10-20 years, with a total contract value of about THB 600 million, which will generate income for the Company about THB 37 million baht per year (full year normalized).

Smart City

The Company has installed electricity and communication cables underground. To make the city nice and safe, the company will install Smart Pole that can be connected to various devices to observe people's well-being and hygiene. Both in terms of pollution and traffic dust, as well as a charging point for electric vehicles.

Smart Platform

It is a new S-Curve of business that will help various operators to reduce their costs or eliminate their pain points of operation. Such as e-insurance platform, which will assist small to medium insurance firms to be able to the respond the requests of their customers rapidly and able to track and analyse information more efficiently including to create more opportunity to generate their income in new normal era.

Contact Investor Relations

www.alt.co.th

Email: IR@alt.co.th

Tel (66) 2863-8999

Disclaimer

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to ALT Telecom Public Company Limited and companies in the group's corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue" "plan" or other similar words. The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.