



EXECUTIVE SUMMARY

The performance of ALT Telecom Public Company Limited ("ALT" or the "Company") as shown in consolidated financial statement for the year ended December 31, 2021 compared to same period of previous year are summarized as follows;

Income Statement	Million THB					
	2021		2020		Up (Down)	
Revenues						
Sales	63.19	5.9%	171.87	11.0%	(108.68)	-63.2%
Services- constuction	675.78	63.0%	1,151.26	73.9%	(475.48)	-41.3%
Services - network	333.67	31.1%	234.42	15.1%	99.26	42.3%
Total revenues	1,072.65	100.0%	1,557.54	100.0%	(484.90)	-31.1%
Cost						
Cost of sales	(49.73)	-78.7%	(140.26)	-81.6%	(90.53)	-64.5%
Cost of services - construction	(617.45)	-91.4%	(1,042.07)	-90.5%	(424.62)	-40.7%
Cost of service - network	(323.68)	-97.0%	(276.95)	-118.1%	46.73	16.9%
Total cost	(990.85)	-92.4%	(1,459.27)	-93.7%	(468.42)	-32.1%
Gross (loss) profit	81.80	7.6%	98.27	6.3%	(16.47)	-16.8%
Other income	27.41	2.6%	535.41	34.4%	(507.99)	-94.9%
Selling expenses	(67.03)	-6.2%	(83.74)	-5.4%	(16.71)	-20.0%
Administrative expenses	(153.06)	-14.3%	(158.71)	-10.2%	(5.65)	-3.6%
Loss from exchange rate	13.46	1.3%	3.31	0.2%	10.15	306.7%
Share of loss of associate	(5.04)	-0.5%	(12.98)	-0.8%	7.95	61.2%
Share of gain of JV	(13.03)	-1.2%	13.97	0.9%	(27.00)	-193.2%
Finance costs	(15.98)	-1.5%	(31.66)	-2.0%	(15.68)	-49.5%
Profit (loss) before income tax	(131.45)	-12.3%	363.88	23.4%	(495.33)	-136.1%
Income tax	(1.84)	-0.2%	(94.19)	-6.0%	(92.35)	-98.0%
Profit (loss) for the period	(133.29)	-12.4%	269.69	17.3%	(402.98)	-149.4%

- Total revenue decreased by THB 484.90 million or 31.1% from THB 1,072.65 million to THB 1,557.54 million
- Revenue from sale and construction service decreased by THB 108.68 million and THB 475.48 million or 63.2% and 41.3% respectively, because the Smart Grid project in Pattaya has been completed and delivered. The other projects are still in the process of implementation and development, which will gradually be recognized according to the percentage of completion.
- Revenue from network services increased by THB 99.26 million or 42.3% from THB 234.42 million THB to 333.67 million.
- The company had gross profit of THB 81.80 million, decreased of THB 16.47 million or 16.8%.
- Other income was at normal level at THB 27.41 million, compared to the previous year with other income of THB 535.41 million, which included the compensation for lack of benefits from legal disputes THB 412.53 million and profit from disposal of assets THB 89.28 million.
- Selling and administrative expenses decreased by THB 16.71 million or 20.0% and THB 5.65 million or 3.6% respectively.



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Management Discussion and Analysis for the year ended December 31, 2021

- Finance cost decreased by THB 15.68 million or 49.5% as the consequence of debt repayment.
- For the year 2021, the Company had net loss THB 133.29 million.
- At the end of the year 2021, the Company has backlog on hand in the number of THB 1,307.9 million.

Financial Position	Million THB		
	Dec 31, 21	Dec 31, 20	Up (Down)
Assets			
Current assets	923.00	1,405.04	(482.03) -34.3%
Non-current assets	1,757.21	1,796.56	(39.35) -2.2%
Total assets	2,680.21	3,201.60	(521.39) -16.3%
Liabilities & equity			
Current liabilities	655.93	961.04	(305.10) -31.7%
Non-current liabilities	328.78	409.54	(80.75) -19.7%
Total liabilities	984.72	1,370.57	(385.86) -28.2%
Paid-up capital	566.11	566.11	- 0.0%
Share premium	1,341.06	1,341.06	- 0.0%
Other component	33.60	33.17	0.43 1.3%
Retained earning	(245.53)	(110.01)	(135.52) 123.2%
<i>Legal reserve</i>	<i>62.50</i>	<i>62.50</i>	- 0.0%
<i>Unappropriated</i>	<i>(308.03)</i>	<i>(172.51)</i>	<i>(135.52) 78.6%</i>
Non-controlling interests	0.24	0.69	(0.45) -64.9%
Total equity	1,695.49	1,831.02	(135.53) -7.4%
Total liabilities & equity	2,680.21	3,201.60	(521.39) -16.3%

- As of the December 2021, total assets decreased by THB 521.39 million, total liabilities decreased by THB 385.86 million and shareholders' equity decreased by THB 135.53 million.
- Decrease of assets mainly was the decrease of current assets of THB 482.03 million, the major items being a decrease in cash of THB 244.02 million and the decrease in trade accounts receivable and contract assets of THB 236.64 million.
- Reduced Liabilities, most of it was a reduction in bank loan from repayments of THB 305.47 million.

Financial Ratio

	2021	2020
Debt to equity	0.58	0.75
Net interest bearing debt to Equity	-0.10	-0.06
Current Ratio	1.41	1.46

The Company has a relatively low debt-to-equity ratio of 0.58 times, while its net interest-bearing debt ratio is below zero. This is because the Company's total amount of cash and deposits as collateral is higher than the loan amount, as well as the working capital ratio of the company is 1.41 times, showing that the liquidity of the Company is still excellent.



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Management Discussion and Analysis for the year ended December 31, 2021

	Million THB	
Cash Flow	2021	2020
Net cash generated from operation	260.42	710.56
Net cash generated from investment	(136.64)	34.06
Net cash generated from finance	(367.79)	(284.66)
Net cash flow	(244.02)	459.96
Beginning cash	497.44	37.48
Ending cash	253.42	497.44

In 2021, the company had cash at the beginning of THB 497.44 million and had net cash generated from operations of THB 260.42 million. The Company manages its cash on hand by balancing amongst liquidity, future growth and minimizing of financial costs by spending on investment of THB 136.64 million, spending on financing activities of THB 367.79 million, of which the main items are the repayment of bank loans of THB 305.47 million and the remaining cash at the end of 2021 of THB 253.42 million to maintain working capital of business.

DIRECTION AND STRATEGY OF BUSINESS DRIVING IN 2022

The change in technology, laws, policies of government and consumer behaviour during the past 3-4 years have affected the business environment in a wide range. Revenue growth of various business was deteriorated, competition rates turned higher. The profit margin was lower. The Company suffered with such situations as well, revenue shrinkage and lower profits. The loss incurred since Q3/17 and have continued until now.

The Company has made a big paradigm shift, starting from changing the vision and mission to expand the business base for more extensive. From the previous vision, which the business was limited to the infrastructure for telecommunication only. The new one, expanding business base to support and link to Smart Energy Business, Smart City Including improving the well-being of consumers with Smart Platform.

The change of the Company's Vision has assisted the company to find out the new opportunities to utilize the existing telecommunication infrastructure in widely support to both public and private sectors and be able to expand the service to cover the Customers in neighbouring countries as well.

For the telecommunication infrastructure business, the Company has accelerated further development to promote Thailand as the Telecommunication Infrastructure Hub in the region. This is in line with the government's policy aiming to make Thailand an ASEAN Digital Hub. The Company realized such strategic objective can be achieved through partnership, who possesses excellent technology expertise and strong business networks. The Company has been successful partially. The growth trend is becoming increasingly clear.

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



Telecom infrastructure business

Fiber optic network, which is the main business of the Company. The Company has already set up the backbone network to cover the entire country, including the construction of the base station to connect to the network of operators in neighbouring countries including Myanmar, Laos, Cambodia and Malaysia. The Company invested through a joint venture named Smart Infranet Co., Ltd. (SIC), and Information Highway Co., Ltd. (IH) to provide services to domestic customers and invested through a subsidiary named International Gateway Co., Ltd. (IGC) to provide the services for foreign operators, including investing through an associate in Myanmar named Myanmar Information Highway Co., Ltd. (MIH) to provide internet services to customers in Yangon.

Under the COVID-19 pandemic, the demand for internet usage has increased dramatically, especially in Myanmar. Despite the declaration of a political emergency, the demand of internet usage has continued to increase by more than 30%. IGC, a subsidiary of the Company, who provided the service of international bandwidth to its customers, who are mobile operators and internet service providers, which located in neighbouring countries, had the higher income from such bandwidth demand. It aims to help promote Thailand as an ASEAN Digital Hub based on Thailand's geographical advantages that are suitable for being the hub of connectivity in the ASEAN region. This enables Thailand to establish a telecommunication network to connect to countries that are the world's major Internet hubs and to connect directly to other regions. with terrestrial fiber optic cable system and submarine cable system

Over the past few months, IGC has developed a network to improve the efficiency of international internet connections, minimize latency as short as possible, which will lead to more comprehensive and faster access to support the higher connectivity standard of new customers segment such as OTT (Over The Top). IGC has commenced the construction of a submarine cable system and submarine cable station in Satun Province. It is the first project of IGC in the submarine cable business to connect the submarine cable system with the international submarine cable project. It is the route from Thailand in Andaman Sea to the connection with Indian Ocean to link the communication systems between countries in Southeast Asia and India.

The submarine cable system project that IGC has participated, is a joint operation between telecom operators and OTT, spanning more than 8,000 kilometers. The connection points starting from Singapore, Malaysia, Thailand, Myanmar and ending in India with 12 fiber-optic pairs along the main route. The system supports data communication capacity of more than 200 Terabits per second (Tbps). The main construction of cable landing station planned to complete and recognize income by the second quarter of 2022.

At present, IGC, one of the subsidiaries that ALT aims to be the main engine to drive the key strategy. It succeeded to provide the services to world class international customers, who is the one of leader in OTT industry with long-term service agreements for both telecommunication network service and submarine cable landing station service in Satun Province. This is a good starting in in submarine cable business, which entrusted by customers in the telecom network of the Company.

In the year 2022, there is still a trend of growth continuously. Overseas customers, in addition to OTT, the Hyperscalers, who provide and use large database services, are more interested in investing in Thailand. This will increase the opportunity to make more use of the Company's network assets significantly.



Fiber optic telecommunication infrastructure, which the Company has invested through the SIC joint venture to jointly promote the organization of communication network on highways across the country has progressed sequentially, which is the basis for the further development of smart city.

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.

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

Open to the opportunity to develop the platform as a service for various devices. related to smart city systems and intelligent energy systems, such as developing software to read license plates for toll and parking fees.

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