



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, 2022 compared to same period of previous year are summarized as follows;

Income Statement	2022		2021		Million THB Up (Down)	
	Value	%	Value	%	Value	%
Revenues						
Sales	96.08	8.4%	63.19	5.9%	32.89	52.0%
Services- construction	587.53	51.2%	675.78	63.0%	(88.25)	-13.1%
Services - network	464.65	40.5%	333.67	31.1%	130.98	39.3%
Total revenues	1,148.27	100.0%	1,072.65	100.0%	75.62	7.0%
Cost						
Cost of sales	(77.99)	-81.2%	(49.73)	-78.7%	28.26	56.8%
Cost of services - construction	(468.12)	-79.7%	(617.45)	-91.4%	(149.33)	-24.2%
Cost of service - network	(400.13)	-86.1%	(323.68)	-97.0%	76.45	23.6%
Total cost	(946.23)	-82.4%	(990.85)	-92.4%	(44.62)	-4.5%
Gross (loss) profit						
Sales	18.10	18.8%	13.47	21.3%	4.63	34.4%
Services- construction	119.42	20.3%	58.34	8.6%	61.08	104.7%
Services - network	64.53	13.9%	9.99	3.0%	54.53	545.6%
Gross (loss) profit	202.04	17.6%	81.80	7.6%	120.24	147.0%
Other income	22.92	2.0%	27.41	2.6%	(4.50)	-16.4%
Selling expenses	(70.24)	-6.1%	(67.03)	-6.2%	3.22	4.8%
Administrative expenses	(132.41)	-11.5%	(153.06)	-14.3%	(20.65)	-13.5%
Other expenses	(97.61)	-8.5%	-	0.0%	97.61	0.0%
Loss from exchange rate	4.05	0.4%	13.46	1.3%	(9.42)	-70.0%
Share of loss of associate	(3.78)	-0.3%	(5.04)	-0.5%	1.25	24.9%
Share of gain of JV	(8.39)	-0.7%	(13.03)	-1.2%	4.63	35.6%
Finance costs	(15.91)	-1.4%	(15.98)	-1.5%	(0.07)	-0.4%
Profit (loss) before income tax	(99.34)	-8.7%	(131.45)	-12.3%	32.11	24.4%
Income tax	(8.54)	-0.7%	(1.84)	-0.2%	6.70	363.7%
Profit (loss) for the period	(107.88)	-9.4%	(133.29)	-12.4%	25.41	19.1%

- Total revenue increased by THB 75.62 million or 7.0% from THB 1,072.65 million to THB 1,148.27 million.
- Revenue from product sale increased by 52.0% from THB 63.19 to THB 96.08 million.
- Revenue from and construction service decreased by 13.1% from THB 675.78 million to THB 587.53 million.
- Revenue from network services increased by THB 130.98 million or 39.3% from THB 333.67 million to THB 464.65 million.
- The Company had gross profit of THB 202.04 million increased by THB 120.24 million or 147.0% from the prior year which had gross margin only THB 81.80 million.
- Gross margin considered by business group of product sale, construction service and network service, all were increased by 34.4% 104.7% and 545.6% respectively.



ALT Telecom Public Company Limited

Management Discussion and Analysis for the year ended December 31, 2022

- Selling expense increased by 4.8%, which was lower than the growth rate of revenue at 7%
- Administrative expenses decreased by 13.5%, the major difference was the decrease of provision for impairment of accounts receivable.
- Other expenses of THB 97.61 million was the provision for impairment of assets of Wi-fi Network project because the customer who had suspended the renewal of service contract, due to it was in the merger process. However, this amount of expenses will be reversed immediately in proportion to the revenue that the Company may be able to provide services to a particular customer in the future.
- Gain from exchange rate decreased from THB 13.46 million in 2021 to THB 4.05 million in 2022 according to the appreciation of THB value.
- The Company had a net loss of THB 107.88 million, decrease from loss in 2021 of THB 133.29 million. However, if not included loss from provision for impairment of assets, the Company would have a net loss of THB 10.27 million.
- At the end of the year 2022, the Company had backlog on hand in the number of THB 3,560 million.

Financial Position	Million THB		
	31-Dec-22	31-Dec-21	Up (Down)
Assets			
Current assets	1,217.31	923.00	294.31 31.9%
Non-current assets	1,806.75	1,757.21	49.54 2.8%
Total assets	3,024.06	2,680.21	343.85 12.8%
Liabilities & equity			
Current liabilities	808.60	655.93	152.67 23.3%
Non-current liabilities	627.74	328.78	298.96 90.9%
Total liabilities	1,436.34	984.72	451.62 45.9%
Paid-up capital	566.11	566.11	- 0.0%
Share premium	1,341.06	1,341.06	- 0.0%
Other component	33.71	33.60	0.11 0.3%
Retained earning	(353.39)	(245.53)	(107.86) 43.9%
<i>Legal reserve</i>	<i>62.50</i>	<i>62.50</i>	- 0.0%
<i>Unappropriated</i>	<i>(415.89)</i>	<i>(308.03)</i>	<i>(107.86)</i> 35.0%
Non-controlling interests	0.22	0.24	(0.02) -8.7%
Total equity	1,587.72	1,695.49	(107.77) -6.4%
Total liabilities & equity	3,024.06	2,680.21	343.85 12.8%

- As of the December 2022, total assets increased by THB 343.85 million, total liabilities increased by THB 451.62 million and shareholders' equity decreased by THB 107.77 million.
- Main items of increased assets were increase of cash THB 62.61 million, trade and contract receivables THB 63.72 million, inventory THB 29.13 million, property for investment THB 98.11 million, property, plant and equipment THB 254.39 million, which were the investments for the Solar Rooftop PPA Projects located at the office of many customers.



ALT Telecom Public Company Limited

Management Discussion and Analysis for the year ended December 31, 2022

The decreased asset value, apart from the decreasing of normal operations from depreciation and amortization of rights to use in the amount of THB 19.81 million and THB 64.98 million respectively, there was an extraordinary item from the provision for impairment of assets in the Wi-fi Network project in the amount of THB 97.61 million. Anyhow, such expenses will be reversed proportionately as soon as the Company can find new sources of income to substitute the revenue from existing customers who suspend the contract renewal.

- Liabilities increased in total value of THB 451.62 million, the main items that increased were bank loans in the amount of THB 234.38 million, advance received from customers for long-term network and utility service contracts in the amount of THB 305.60 million. The decreasing items were long-term lease liabilities which decreased by THB 49.95 million from the rental payment according to the contract.

Financial Ratio

	2022	2021
Debt to equity	0.90	0.58
Net interest bearing debt to Equity	0.01	-0.10
Current Ratio	1.51	1.41

- The Company's financial ratios are still in the normal range. Debt to equity ratio was 0.90 time and the working capital ratio was 1.51 times.

Cash Flow	Million THB	
	2022	2021
Net cash generated from operation	292.88	260.42
Net cash generated from investment	(398.90)	(136.64)
Net cash generated from finance	168.51	(367.79)
Net cash flow	62.49	(244.02)
Beginning cash	253.42	497.44
Ending cash	315.91	253.42

- For the year 2022, the Company had cash at the beginning of THB 253.42 million and had net cash flow from operations of THB 292.88 million, The Company manages cash by balancing between liquidity, growth and finance cost efficiency, the Company had spent THB 398.90 million on investing activities and had net drawdown bank loans of THB 234.38 million. and made payment for rental contracts of THB 65.87 million. At the end of 2022, the company had a cash balance of THB 315.91 million.



EXECUTIVE SUMMARY BY STRATEGY FOR THE YEAR 2022

As a result of vision and mission changing since 2021, it has provided the Company widen opportunities to grow in new businesses with great enhancing the utilization of the Company's existing telecommunication infrastructure, to provide services to various businesses, both government and private sectors. Including being able to expand the scope of services 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 center of regional telecommunications infrastructure. This is in line with the government's policy aiming to make Thailand an ASEAN Digital Hub. The Company realized that this goal can only be achieved by having partners with expertise in technology and strong business networks. The Company has been successful gradually. There is a growing trend that is becoming more and more clear.

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.

IGC is involved in providing services It is a joint project between telecom operators and OTT. It is over 8,000 kilometers long, with connections starting from Singapore, Malaysia, Thailand, Myanmar and ending in India. fiber optic cable system There are a total of 12 fiber optic pairs along the main route, with a capacity of more than 200 terabits per second (Tbps) for coastal terminal services. Connecting the inland cable in Satun Province IGC has completed the construction and delivered to customers in the third quarter of 2022.

As the goal of the country aiming to develop Thailand into the center of digital business in ASEAN (ASEAN Digital Hub) is progressing more and more concretely. There are many world scale companies in the business of information service had been interested to invest in Thailand, which it was direct benefits to the Company. In 2022, the Company entered into long-term contracts of 5-20 years with a foreign customer who was the one of the world's largest data service providers, to provide fiber optic cable network services to connect among its multiple data centers. The contract value is more than 1,000 million baht, with an estimated total distance of more than 3,000 kilometers.

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



In addition, the board of directors of the Company has also approved the investment project for the construction of the fiber optic communication network, to support the terrestrial communication networks between the west coast and the east coast, and Bangkok-Satun-Songkhla-Malaysia route. The total distance is approximately 2,200 kilometers, invested through International Gateway Co., Ltd., a wholly-owned subsidiary of the Company, under a budget of THB 595 million and is expected to generate the annual revenue for the Company approximately about THB 50-80 million.

Smart Grid & Smart Energy

As a result of providing services for system installation and installation of the Pattaya Smart Electricity Network Chonburi Province to the Provincial Electricity Authority which is a pilot project in Thailand's smart grid, there is a high possibility that the government will expand the size of the project to cover major cities throughout the country. Therefore, it is a business with high growth opportunities. In 2020, the company invested in the acquisition of Energy Max Co., Ltd., a Smart Meter manufacturer for the Provincial Electricity Authority. This is to support opportunities for growth. Currently, the said project has been successfully completed. The Company has delivered work to the customers as scheduled.

The Company has expanded its business into the energy management service business. It invests and installs Solar Rooftop systems and equipment for the public and private sectors such as entrepreneurs in the factory and medium-sized industries. The projects have generated electricity for customers with the cheaper cost of electricity. The customers have no obligation to pay any expenses for such projects. Apart from reducing costs for customers, also participate in the preservation of the environment to reduce greenhouse gas emissions by using renewable energy. Currently, contracts have been entered into with a total of 31 customers, representing a total electricity generation capacity of 15.2 Mwh.

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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