

Executive summary

Thailand's economy for 2022 continues to recover, fueled by resurgent private consumption and strong tourism inflows following the economic reopening and the relief of the Covid-19 situation. However, the global economic slowdown, rising inflation and energy prices, and geopolitical conflicts caused consumers to remain cautious in their spending. This resulted in slow growth in the revenue of the business under INTOUCH Group, while the operating cost increased, especially for a utility cost following the rising energy price. As a result, the net profit for the year 2022 slightly decreased compared to last year.

AIS aims to continue delivering superior customer experiences and expand the 5G network. In 2022, the 5G network covered 85% of the population, and 5G subscribers reached 6.8 million users, representing 15% of total mobile subscribers. Fixed broadband and Enterprise business maintained a strong growth momentum. AIS Fibre customers closed at 2.2 million subscribers at the end of 2022, an increase of 22% YoY. The increase was due to a focus on a fixed-mobile-content convergence (FMC) strategy alongside a commitment to be a leader in service quality. In 2022, AIS announced the acquisition of Triple T Broadband Public Company Limited ("TTTBB") and 19% investment units in Jasmin Broadband Internet Infrastructure Fund ("JASIF") by AWN, a subsidiary of AIS. Currently, the transaction is under the NBTC consideration for approval. It is expected that the transaction will be completed within 2Q23.

On 30 December 2022, INTOUCH divested all 450,870,934 shares that were held in THAICOM (41.13% of the total issued shares of THAICOM) to Gulf Ventures Co., Ltd, a subsidiary of Gulf Energy Development PCL ("GULF") in an amount of 4,473 million baht. The proceeds from the divestment were paid as an interim dividend of 1.40 baht per share on 27 January 2023.

In 2022, INTOUCH focused on the monetization and realization of returns of investment under the venture capital project, InVent project; as a result, our investments in the ten startups were divested with an ROI of around 1.85x. As of the end of 2022, six startups remain in the InVent portfolio, i.e., Ookbee, YDM (Thailand), Peer Power, Conicle, Paronym, and Ecommerce Enablers.

INTOUCH continues to look for opportunities to invest in new businesses related to telecommunications, technology and digital, or other businesses with consistent growth opportunities, stable revenue, and profitability to create sustainable growth and returns.

Overview of Consolidated Operational Results

Share of profit (loss) by business segment (in million baht)	For the year ended 31 December				
	2022		2021		%YoY
Continuing operations					
The Company	(130)	-1%	(332)	-3%	-61%
AIS (Local Wireless Telecommunication Business)	10,519	100%	10,889	101%	-3%
Other Businesses	2	0%	132	1%	-98%
Net Profit from continuing operations	10,391	99%	10,689	99%	-3%
Discontinued operations					
THAICOM (Satellite & International Businesses)	142	1%	59	1%	141%
Net Profit	10,533	100%	10,748	100%	-2%
Normalized Net Profit ¹⁾	10,466	99%	10,656	99%	-2%

1) Excluding the net gain or loss from extra items:- fair value measurement, sale of investment in venture capital project, foreign exchange, and impairment loss.

Operational results of INTOUCH Group for 2022 showed a net profit of 10,533 million baht, a decrease of 2% from the previous year, mainly due to:

- Lower contribution from AIS due to the increase of network OPEX, following the electricity costs and the marketing expenses, but the increase in core revenue partially offset this.
- Lower net loss from INTOUCH because of the operational expenses after the Company restructuring at the end of 2021.
- Lower contribution from other businesses as, in 2021, it had an unrealized gain from fair value measurement of investments under the venture capital project, while in 2022, there was a realized gain from the disposal of ten startups under the same project in a total of 30 million baht.
- Higher contribution from discontinued operations (THAICOM) due to INTOUCH's gain on the sale of investment in THAICOM that was included in discontinued operations. However, this was partially offset by the decrease in operating profit due to the recognition of the impairment loss of the satellite in 2022.

Operational results of INTOUCH for 2022 had a share of the net results of 10,516 million baht, which decreased from the previous year, mainly due to the contribution from AIS. The 2022 operational expenses, which included directors and management benefits, were 173 million baht, a decrease from the previous year due to the Company restructuring at the end of 2021.

Dividend payout INTOUCH has a policy of paying dividends based on separate financial statements. These are mainly dividends passed through from associates and subsidiaries after the deduction of operating expenses, assuming there are no extraordinary circumstances or items of concern in which the payment of a dividend would have a material impact on the Company's operations.

The Board of Directors meeting on 10 February 2023 passed a resolution to pay a dividend of 4.72 baht per share from 2022 operating results, which was paid at 3.16 baht per share as an interim. Thus, the remaining is 1.56 baht per share.

This dividend is subject to the resolution of INTOUCH's Annual General Meeting of Shareholders for 2023.

Possible key and influential factors affecting the Company's future operations or financial position

INTOUCH conducts its business as a holding company that has investments in other companies. Therefore, the financial position or operational results of these companies could have a material impact on INTOUCH.

The performance of these investments has been disclosed in the Management Discussion & Analysis sections of Form 56-1 One Report for the year 2022 (Annual Report) submitted by AIS (ADVANC) and THAICOM (THCOM).

Significant Events

The Company business

On 30 December 2022, INTOUCH sold all its ordinary shares in THAICOM, 450,870,934 shares or 41.13% of its total issued and paid-up shares to Gulf Ventures Co., Ltd., a subsidiary of GULF, at approximately 4,473 million baht. Consequently, INTOUCH de-consolidated each line of the assets and liabilities of THAICOM into discontinued operations presented separately from continuing operations.

Local wireless telecommunication business

In February 2022, AIS announced the Joint Development Agreement with GULF and Singapore Telecommunications Limited to establish a data center business. Later in July, AIS declared the establishment of a subsidiary company, "AIS DC Venture Company Limited", to invest in the data center business on behalf of AIS.

In July 2022, AIS announced the acquisition of TTTBB and 19% investment units in the JASIF. As of the end of the year, this transaction was under the National Broadcasting and Telecommunication Committee's consideration of approval. Once the transaction is approved, AIS expects the signing of the share purchase agreement and execution to be completed within the second quarter of 2023.

Key Operational Results

Continuing operations

Company business

The Company (in million baht)	For the year ended 31 December		
	2022	2021	%YoY
Expenses	(173)	(376)	-54%
Others ^{1) & 2)}	43	44	-2%
Net Loss	(130)	(332)	-61%
Normalized net loss ³⁾	(160)	(340)	-53%

1) Excluding the net gain or loss from fair value measurement of investments in venture capital project which were presented as a part of operational result in Other Businesses.

2) The Company's gain on sale of investment in THAIKOM is included in discontinued operations.

3) Excluding net gains (losses) from sale of investment in venture capital project.

INTOUCH's net loss in 2022 was 130 million baht, which dropped from 2021, mainly due to the Company restructuring at the end of 2021.

AIS (Local wireless telecommunications)

Local wireless telecommunications (in million baht)	For the year ended 31 December		
	2022	2021	%YoY
Share of net result from investment in AIS Group using equity method	10,519	10,889	-3%
Normalized share of net result *	10,531	11,098	-5%

* Excluding the share of net foreign exchange gain (loss).

The share of the net results from AIS Group dropped from 2021, mainly due to higher network OPEX following the incline of electricity costs and marketing expenses.

Sales and service revenue increased from 2021 due to SIM & device sales, mainly from iPhone14, which improved sales margin and the strong growth of fixed-broadband, driven by gaining subscribers. However, ARPU decreased from price competition in the industry. The enterprise non-mobile revenue and others improved from the increasing demand for CCIID, led by Cloud services and IT solutions following the digitization trend. However, high competition and rising inflation pressure mobile revenue to decrease slightly.

Sales and service costs increased from 2021 following its revenues, while service costs increased corresponding to the rising electricity costs.

Distribution costs & administrative expenses increased from 2021 mainly due to higher marketing expenses following the resumed economic activities, partially offset by the continuous efforts to optimize and improve efficiency and productivity in all areas resulting in lower administrative expenses.

Other businesses

Other Businesses (in million baht)	For the year ended 31 December		
	2022	2021	%YoY
Service revenue	15	23	-35%
Service costs	(12)	(21)	-43%
Distribution costs & administrative expenses	(14)	(27)	-48%
Net gain from fair value measurement of investments in venture capital project	-	141	-100%
Other income	19	24	-21%
Finance cost and income tax expense	(2)	(3)	-33%
Net profit (loss)	6	137	-96%
Contribution to INTOUCH Group	2	132	-98%
Normalized Contributed to INTOUCH Group *	2	(9)	122%

* Excluding net gain from fair value measurement of investments in venture capital project.

Other businesses include a human-resource development business, a home shopping business (INTOUCH Group sold all its investment in High Shopping in September 2021) and businesses under the venture capital project (“InVent”).

Discontinued operations
THAICOM (satellite & international businesses)

Satellite & International Businesses (in million baht)	For the year ended 31 December		
	2022	2021	%YoY
Sales and service revenue	2,927	3,302	-11%
Sales and service costs	(1,500)	(1,998)	-25%
Operating agreement fees	-	(351)	-100%
Distribution costs & administrative expenses	(877)	(871)	1%
Loss from impairment on assets	(259)	-	100%
Share of profit (loss) of investments in joint ventures	(306)	(267)	15%
Other income	215	204	5%
Net foreign exchange gain	120	369	-67%
Finance costs and tax	(278)	(244)	14%
The Company's gain on sale of investment in THAICOM	125	-	100%
Net profit	167	144	16%
Contribution to INTOUCH Group	142	59	141%
Normalized contribution to INTOUCH Group *	93	(93)	200%

* Excluding share of gain (loss) from extra items in the satellite & international businesses:- net foreign exchange and impairment loss.

THAICOM's net results in 2022 rose from 2021, mainly due to the gain from the sale of investment in THAICOM, which was included in discontinued operations. The operational result of THAICOM Group dropped mainly from the record of impairment loss of the satellite in 2022 and the decrease in net foreign exchange gain. In addition, the share of loss of investment in a joint venture rose from the appreciation of the USD against the Lao kip, which impacted the mark-to-market loss on LTC Group's USD liabilities. However, the profit margin improved from cost restructuring after the operating agreement expired.

Summary of Financial Position

Key financial position data

Consolidated Financial Position	As at 31 December 2022		As at 31 December 2021		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	5,562	13%	2,235	4%	3,327	149%
Other current financial assets	1,383	3%	6,229	12%	(4,846)	-78%
Trade receivables	-	0%	1,772	3%	(1,772)	-100%
Current portion of long-term loans to related parties	-	0%	1,003	2%	(1,003)	-100%
Inventories	-	0%	7	0%	(7)	-100%
Other current assets	36	0%	409	1%	(373)	-91%
Long-term loans to related party	-	0%	750	1%	(750)	-100%
Investment in an associate and joint ventures	35,366	82%	35,021	65%	345	1%
Investment in venture capital	640	1%	1,139	2%	(499)	-44%
Property, plant & equipment	18	0%	2,787	5%	(2,769)	-99%
Right-of-use assets	29	0%	1,461	3%	(1,432)	-98%
Deferred tax assets	1	0%	690	1%	(689)	-100%
Other non-current assets	6	0%	481	1%	(475)	-99%
Total Assets	43,041	100%	53,984	100%	(10,943)	-20%
Liabilities and Equity						
Dividends payable	4,489	10%	-	0%	4,489	100%
Current portion of long-term borrowings and lease liabilities	5	0%	666	1%	(661)	-99%
Provision for unpaid operating fees and interest	2,890	7%	2,890	5%	-	0%
Other current liabilities	40	0%	885	2%	(845)	-95%
Long-term borrowings and lease liabilities	25	0%	2,079	4%	(2,054)	-99%
Other non-current liabilities	39	0%	763	1%	(724)	-95%
Total Liabilities	7,488	17%	7,283	13%	205	3%
Total Equity	35,553	83%	46,701	87%	(11,148)	-24%
Total Liabilities and Equity	43,041	100%	53,984	100%	(10,943)	-20%

* Some items have been reclassified for comparative and analytical purposes.

Total consolidated assets dropped 20% from the end of 2021, mainly from the deconsolidation of assets and liabilities of THAICOM after the sale of this investment, partially offset by the increase in cash and cash equivalence from the cash proceeding from this disposal.

Total consolidated liabilities increased by 3% from the end of 2021, mainly due to dividends payable. But this was offset by the deconsolidation of THAICOM.

Total consolidated equity decreased by 24% from the end of 2021 due to the dividend payment from 9M22 operational results, net of the profit in the group.

Liquidity and cash flow: At the end of 2022, the current ratio was 0.9, which decreased from 2.6 at the end of 2021, mainly due to the deconsolidation of THAICOM. INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and secure short-term credit facilities from various banks as a financial backup.

The consolidated cash rose by 3,327 million baht from the end of 2021, mainly due to the cash received from the sale of investment in THAIKOM and private funds (other current financial assets). However, this was partially offset by the dividend payment that was more than the receipt and the decrease in cash received from operations.

Accounts receivable: At the end of 2022, INTOUCH Group had no accounts receivable after the deconsolidation of THAIKOM.

The profitability ratio and return on equity: INTOUCH Group's net profit margin at the end of 2022 was 99.6%, while the return on equity was 27.4%, remaining the same as in 2021.

Debt-to-equity ratio: At the end of 2022, the group had a debt-to-equity ratio of 0.2 times, almost the same as in 2021. INTOUCH Group can repay short- and long-term loans without violating the conditions of its loan agreements concerning maintaining stipulated financial ratios.

The group's commitments, including those off the balance sheet, have been disclosed in the notes to the financial statements: *Commitments, Bank Guarantees, Significant Events, and Disputes & Litigation.*

The External Auditor's Report

The external auditor's report contained the following conclusion:

"In our opinion, the consolidated and separate financial statements of INTOUCH for the year 2022 have been presented fairly in all material respects and in accordance with Thai Financial Reporting Standards."

Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 December 2022		As at 31 December 2021		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	5,524	13%	395	1%	5,129	1,298%
Other current financial assets	157	0%	1,894	5%	(1,737)	-92%
Investment in subsidiaries and associates	35,391	85%	38,236	92%	(2,845)	-7%
Investments in venture capital	640	2%	1,139	3%	(499)	-44%
Other assets	57	0%	53	0%	4	8%
Total Assets	41,769	100%	41,717	100%	(5,077)	-12%
Liabilities and Equity						
Dividend payable	4,489	11%	-	0%	4,489	100%
Other liabilities	102	0%	171	0%	(69)	-40%
Total Equity	37,178	89%	41,546	100%	(4,368)	-11%
Total Liabilities and Equity	41,769	100%	41,717	100%	52	0%

* Some items have been reclassified for comparative and analytical purposes.

Separate Statements of Profit or Loss (in million baht)	For the year ended 31 December		
	2022	2021	%YoY
Share of net results from investments in:-			
Subsidiaries	(3)	(14)	-79%
Associate	10,519	10,889	-3%
Other income	45	188	-76%
Total revenue	10,561	11,063	-5%
Administrative & other expenses	(134)	(314)	-57%
Directors and management benefits	(39)	(62)	-37%
Total expenses	(173)	(376)	-54%
Profit before finance costs	10,388	10,687	-3%
Finance costs	(2)	(3)	-33%
Profit from discontinued operations	142	59	141%
Net Profit	10,528	10,743	-2%

Consolidated Statements of Profit or Loss (in million baht)	For the year ended 31 December		
	2022	2021	%YoY
Sales and service revenue	12	20	-40%
Share of profit of investments in an associate	10,519	10,889	-3%
Other income	49	209	-77%
Total revenue	10,580	11,118	-5%
Sales and service costs	(12)	(21)	-43%
Administrative expenses	(130)	(335)	-61%
Directors and management benefit expenses	(39)	(64)	-39%
Total expenses	(181)	(420)	-57%
Profit before finance costs & income tax expense	10,399	10,698	-3%
Finance costs	(2)	(1)	100%
Profit before income tax expense	10,397	10,697	-3%
Income tax expense	(2)	(3)	-33%
Profit for the year - continuing operations	10,395	10,694	-3%
Profit (loss) from discontinued operations - net	167	144	16%
Net profit	10,562	10,838	-3%
Attributable to:			
Owners of the Parent	10,533	10,748	-2%
Profit for the year			
- continuing operations	10,391	10,689	-3%
- discontinued operations	142	59	141%
Non-controlling interests	29	90	-68%
Profit for the year			
- continuing operations	4	5	-20%
- discontinued operations	25	85	-71%
Net profit	10,562	10,838	-3%

Consolidated source and use of Cash Flows			
For the year ended 31 December 2022			million baht
Source of funds		Use of funds	
Receive of dividends	9,384	Payment of dividend	10,774
Decrease in other current financial assets	1,709	Operating cash flows	210
Cash proceed from disposal of investments	5,066	Repayment of loan and lease liabilities	7
Net cash proceeds from disposal of equipment and others	3	Net investment in venture capital & joint ventures	48
		Purchase of fixed assets	16
		Impacted of cash flow from the disposal of an investment in a subsidiary	1,780
		Increase in cash	3,327
Total	16,162		16,162

Material financial ratios (based on consolidated financial statements)	For the year ended 31 December		
	2021	2022	Change
Net profit margin (%)	96.7	99.6	2.9
Current ratio (times)	2.6	0.9	(1.7)
Return on equity attributed to owners of the parent (%)	27.3	27.4	0.1
Return on assets (%)	20.2	21.7	1.6
Debt to equity attributed to owners of the parent (times)	0.2	0.2	0.0
Interest bearing debt to equity attributed to owners of the parent (times)	0.1	0.0	(0.1)
Basic earnings per share (baht)	3.35	3.29	(0.06)
Book value per share (baht)	12.69	11.33	(1.36)

Disclaimer

Some statements in this material are forward-looking statements with relevant assumptions, subject to various risks and uncertainties. These include statements concerning our 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 its executives/staff do not control and cannot guarantee these statements' relevance, timeliness, or accuracy.