

(Translation)

Ref.: TRUE-SEC 013/2566

10th May 2023

The President of the Stock Exchange of Thailand
The Stock Exchange of Thailand

Subject: Submission of the Interim Financial Information for Q1/2023

- Enclosures:
1. Interim Financial Information for Q1/2023
(Thai / English) 1 set each
 2. Management Discussion and Analysis of the Interim Financial Information
for Q1/2023 (Thai / English) 1 set each

True Corporation Public Company Limited (the “Company”) would like to submit (i) the reviewed interim consolidated and separate financial information for Q1/2023 ending 31st March 2023 and (ii) the management discussion and analysis of the interim financial information for Q1/2023, details of which are in Enclosures.

Please be informed accordingly.

Respectfully yours,

- Signature -

Ms. Yupa Leewongcharoen
Co-Chief Financial Officer

TRUE CORPORATION PLC.

Disclaimer

Total Access Communication Public Company Limited and True Corporation Public Company Limited have amalgamated into a new company under the name True Corporation Public Company Limited on 1st March 2023. The financial information reflected in this document is based on pro-forma financial statements of Total Access Communication Public Company Limited and True Corporation Public Company Limited.

Subscriber definition has been changed to align between the two companies. Mobile prepaid subscribers are re-defined as subscribers who refill to extend validity within 45 days or subscribers who are active with usage in last 90 days. Mobile postpaid subscribers are re-defined as subscribers whose payment status is not overdue more than 60 days from due date. Broadband internet subscribers are re-defined as subscribers whose payment status is not overdue more than 60 days from due date.

Executive Summary

The first quarter of 2023 was positive on many aspects of macroeconomic factors, however, the lingering effects of the previous quarters continued to hamper businesses and consumers alike. The first two months of the quarter saw higher influx of tourists to Thailand, boosting the economic recovery of the country. Similar to previous quarters, inflation rates remained high, and with a revised energy price hike, utility costs continued to rise. The competition aggression in the ICT industry marginally improved as the industry players started to focus more on providing lucrative and higher value products for customers via partnerships and service bundling as opposed to lower-priced products.

The amalgamation between Total Access Communication Public Company Limited and True Corporation Public Company Limited was completed on 1st March 2023. The new company, under the name True Corporation Public Company Limited, was subsequently listed on the Stock Exchange of Thailand on 3rd March 2023. True Corporation is committed to the highest governance standard and fostering a digital ecosystem to promote technological leadership that is poised to benefit many businesses and industries, promote a digital economy, and fostering a digitally inclusive society for all. The amalgamation will enhance the Company's operational efficiency and the ability to compete and, as a result, deliver higher value for stakeholders. The global expertise and know-how of strategic partners and major shareholders will further help the Company achieve its targets while benefiting from scale.

During the first month after the amalgamation, True Corporation has successfully established a single organization structure and way of work, enabling the execution of the integration plan along with seamless continuation of business as usual and achievement of short-term synergies. As a result of the amalgamation, customers of dtac and True are now benefiting from improved network quality, better indoor coverage, and access to high speed 5G with 2600 MHz and better 4G coverage on 700 MHz in all 77 provinces of the country. Customers are also able to enjoy a higher and more diverse range of products and services as well as privileges offered under both brands, leading to cross-selling and upselling opportunities.

True Digital Group continues to accelerate its digital platforms and solutions businesses. In Q123, TrueID continued to enhance customer experiences and engagement through various sports content and video on demand. 'Better Together' campaign was launched to celebrate the amalgamation, which provides special privileges and benefits to True and dtac subscribers, uplifting their offerings and allowing them to embrace digital experiences. True Digital Solutions grew 92% YoY, mainly driven by Smart Living, Smart Property, Smart Connectivity, and Smart CCTV solutions and continues to scale and extend product offerings to a larger client base in various industries. In addition, True Digital Group launched TrueX, a new LifeOS application, which provides a superior all-in-one digital ecosystem for consumers in order to elevate the quality of life and serve the digital lifestyle. With the ambition of 1 million adopters by the end of the year, the platform integrates the core living solutions and offers packages within 6 domains: Smart home, Smart health, Smart learning, Smart energy, Smart shopping, and Smart entertainment.

On a pro-forma financial basis, for the first quarter of 2023 True Corporation reported total revenue of THB 51,463 million, declining 3.9% QoQ and 6.7% YoY, mainly due to lower product sales and lower service revenue. Total Opex excluding D&A declined by 10.3% QoQ and 5.2% YoY due to ongoing efficiency measures despite higher inflation and higher utility costs. EBITDA for the quarter improved by 10.1% while declining 8.7% YoY, with a healthy EBITDA to total revenue margin of 37.8%. Net Profit (Loss) After Tax was reported at THB -492 million impacted positively by foreign exchange gain and partial settlement of insurance claim. Net Profit in Q422 was negatively impacted by non-recurring expenses of ~THB 8.5 Bn mainly due to write down of assets, amalgamation costs and annual impairment.

True Corporation PLC (TRUE) was assigned an "A+" rating, reflecting the credit profile as the newly formed entity as the result of the amalgamation between the former TRUE Corporation PLC (TRUEE, "BBB+" Rating) and Total Access Communication PLC (DTAC, "AA" Rating). With the new company's upgraded rating, the interest expenses are expected to gradually reduce as old debts mature and are refinanced under the new rating.

Operational Summary

At the end of Q123, **mobile subscribers** increased by 676K to 50.5 million, registering a growth of 1.4% from Q422. Prepaid subscribers increased by 0.7 Mn to 34.7 million, growing 2.1% QoQ mainly from the influx of tourists, while postpaid subscribers reached 15.7 million, declining by 0.02 million QoQ. Prepaid ARPU declined to THB 103 per month, mainly impacted by prolonged impact from aggressive competition, while postpaid ARPU remained stable at THB 418 per month. Blended ARPU reached THB 203 per month, declining by 2.5% QoQ. **5G subscribers** reached 6.3 million registering a growth of 13% QoQ with improved usage and visible ARPU uplift of 10-15%.

Online subscribers increased by 0.3% QoQ to 3.8 million, while ARPU declined by 1.3% to THB 451 per month amidst competitive offers. **PayTV subscribers** declined by 2.7% to 1.4 million, however, ARPU increased by 2.1% to THB 279 per month as a result of upselling initiatives.

Digital monthly active users (MAU) reached 35.8 million, increasing by 19% YoY driven by the Better Together cross-selling campaign after the completion of the amalgamation. In Q422, digital MAU reached an all-time high of 46.0 million users driven by the FIFA World Cup streaming.

Operating statistics

Mobile		
Customers ('000 subs)	4Q22	1Q23
Total	49,784	50,461
Pre-paid	34,019	34,717
Post-paid	15,765	15,744
ARPU (Baht/sub/month)	4Q22	1Q23
Blended	207	203
Pre-paid	108	103
Post-paid	419	418
Online		
Customers ('000 subs)	4Q22	1Q23
Customers ('000 subs)	3,822	3,835
ARPU (Baht/sub/month)	457	451
Pay TV		
Customers ('000 subs)	4Q22	1Q23
Customers ('000 subs)	1,486	1,447
ARPU (Baht/sub/month)	274	279

Consolidated Results on Pro Forma basis

On a pro forma financial basis, for the first quarter of 2023, True Corporation's consolidated service revenue was reported at THB 38,985 million, declining 1.8% QoQ and 2.0% YoY. The decline in service revenue was driven by lower contribution from the mobile and online segments.

True Corporation's **mobile service revenue** was reported at THB 31,142 million, declining 1.7% QoQ and 2.5% YoY mainly driven by continued ARPU erosion from competition aggression despite ongoing subscriber growth. Prepaid subscriber acquisition remained strong driven by higher influx of tourists in the quarter, reaching 34.7 million while postpaid subscribers reached 15.7 million. Overall mobile subscribers grew by 1.4% QoQ, reaching 50.5 Million at the end of the first quarter. 5G subscribers reached 6.3 million, growing 13% QoQ.

Online service revenue amounted to THB 5,628 million, declining 0.9% QoQ and 2.3% YoY. Online service revenue was negatively impacted by declining consumer broadband sales amidst intensifying competitive offers, partly offset by growth in corporate sales.

PayTV service revenue amounted to THB 1,667 million, declining 1.9% QoQ and 1.6% YoY. Subscription and installation revenue contributed to 74% of service revenue while music and entertainment revenue improved driven by higher concerts in the quarter. ARPU continued to improve along with declining mix of mass customer base.

Interconnection revenue amounted to THB 1,549 million, growing 273.8% QoQ and 214.2% YoY, positively impacted by a favorable settlement of an ongoing litigation in Q123.

Product sales revenue amounted to THB 5,740 million, declining 28.8% QoQ and 28.9% YoY, impacted by lower volume of handsets sold in Q123 and early launch of iPhone in Q322.

Total operating expenses excluding depreciation and amortization amounted to THB 32,174 million, declining 10.3% QoQ and 5.2% YoY as a result of continuous focus on efficiency measures despite higher inflation. **Network costs** amounted to THB 4,546 million, increasing 40.4% YoY driven by higher utility costs from energy price hikes and higher costs related to higher network rollout. **Other cost of providing services** declined 8.8% YoY driven by positive impact from revised wholesale arrangements with NT. Cost of sales declined 30% YoY as a result of lower volume of handsets sold and lower IDD related costs. **Selling and administrative expenses** increased 9.0% YoY, mainly impacted by amalgamation related costs in Q123.

Reported **EBITDA** for Q123 amounted to THB 19,452 million, improving 10.1% QoQ as a result of one-time effect from contract negotiation in Q422 and favorable settlement of an ongoing litigation in Q123. EBITDA continues to be benefitted by the company's ongoing initiatives in achieving operational efficiency. EBITDA declined 8.7% YoY due to lower service revenue and higher OPEX in Q123. EBITDA to Total Revenue remained healthy at 37.8% for Q123.

Depreciation and amortization amounted to THB 16,169 million, remaining flat QoQ (-0.1%) while increasing 5.6% YoY due to continuous network rollout focused on improving customers' experience and service quality.

The Company reported a **Net Profit (Loss) After Tax** amounting to THB -492 million, as a result of lower EBITDA and higher depreciation and amortization. Net Profit in Q123 was benefitted by one-time impact from foreign exchange gain and partial settlement of insurance claim. Net Profit in Q422 was negatively impacted by one-time expenses of ~THB 8.5 Bn mainly due to write-down of assets, amalgamation-related costs, and annual impairment.

Normalized and Consolidated Statements of Income (Loss) on Pro Forma Basis

(Baht in millions unless otherwise indicated)	1Q22	4Q22	1Q23	% Change	
				Q-o-Q	Y-o-Y
Mobile	31,933	31,692	31,142	(1.7)	(2.5)
Online	5,760	5,677	5,628	(0.9)	(2.3)
Pay TV	1,694	1,699	1,667	(1.9)	(1.6)
Others	400	612	549	(10.4)	37.1
Service revenue excl. IC	39,787	39,680	38,985	(1.8)	(2.0)
Interconnection revenue	493	414	1,549	273.8	214.2
Spectrum arrangement (Network equipment rental)	6,800	5,395	5,188	(3.8)	(23.7)
Revenues from product sales	8,071	8,067	5,740	(28.8)	(28.9)
Total revenues	55,151	53,557	51,463	(3.9)	(6.7)
Regulatory costs	972	1,228	1,070	(12.9)	10.1
Interconnection costs	473	485	392	(19.2)	(17.1)
Network costs	3,239	5,004	4,546	(9.1)	40.4
Others cost of providing services	13,426	12,201	12,248	0.4	(8.8)
Cost of sales	8,570	8,355	6,000	(28.2)	(30.0)
Selling and administrative expenses	7,264	8,580	7,917	(7.7)	9.0
Total operating expenses excl. depreciation and amortization	33,944	35,853	32,174	(10.3)	(5.2)
Depreciation and amortization	(15,310)	(16,179)	(16,169)	0.1	(5.6)
Operating profit	5,898	1,525	3,120	104.6	(47.1)
Share of results in subsidiaries and associates	816	(274)	716	NM	(12.3)
Financial cost	(5,398)	(5,709)	(5,427)	4.9	(0.5)
Income tax (expense) revenue	(456)	(341)	(264)	22.8	42.2
Other items	562	(5,135)	1,362	NM	142.2
Net profit (loss) to equity holders of the Company	1,422	(9,936)	(492)	95.0	NM

EBITDA (Baht in millions unless otherwise indicated)	1Q22	4Q22	1Q23	% Change	
				Q-o-Q	Y-o-Y
Net profit (loss) to equity holders of the Company	1,422	(9,936)	(492)	95.0	NM
Share of results in subsidiaries and associates	(816)	274	(716)	NM	12.3
Financial cost	5,398	5,709	5,427	(4.9)	0.5
Income tax (expense) revenue	456	341	264	(22.8)	(42.2)
Depreciation and amortization	15,310	16,179	16,169	(0.1)	5.6
Other items	(470)	5,092	(1,199)	NM	(155.5)
EBITDA	21,300	17,661	19,452	10.1	(8.7)
EBITDA on service revenue excl. IC	53.5%	44.5%	49.9%		
EBITDA on total revenue	38.6%	33.0%	37.8%		

Balance Sheet and Key Financial Information on Pro Forma basis

At the end of Q123, True Corporation's total assets amounted to THB 788,873 million, decreasing by 0.6% from THB 793,692 million at the end of Q422 mainly due to license payment of 900 MHz and 700 MHz.

Cash and cash equivalent amounted to THB 27,075 million, decreasing from THB 32,662 million at the end of Q422.

Property, plant and equipment (net) increased by 4.2% to THB 233,384 million and RoU assets increased by 6.9% to THB 113,317 million due to capitalization of assets.

Trade account receivables (net) decreased by 13.9% to THB 51,178 million due to lower revenues.

Interest-bearing debt including lease liabilities amounted to THB 438,855 million at the end of Q123, increasing by 0.6% from Q422 in order to support network and business expansion.

Net debt to EBITDA (including lease liabilities) was at 5.1x. Capital Expenditure (CAPEX) in Q123 amounted to THB 17,565 million with focus on improving experience and capacity expansion prior to amalgamation.

Operating cash flow (defined by EBITDA minus CAPEX) amounted to THB 1,886 million for the quarter.

(Baht in millions unless otherwise indicated)	31 Dec 22	31 Mar 23	% change
Cash and cash equivalents	32,662	27,075	(17.1)
Trade and other receivables	59,422	51,178	(13.9)
Other current assets	26,986	30,016	11.2
Total current assets	119,070	108,270	(9.1)
Property, plant and equipment	223,956	233,384	4.2
Goodwill	125,064	126,487	1.1
Intangible assets	158,519	154,209	(2.7)
Deferred income tax assets	13,921	13,027	(6.4)
Right-of-use assets	106,018	113,317	6.9
Other non-current assets	47,144	40,179	(14.8)
Total non-current assets	674,622	680,604	0.9
Total assets	793,692	788,873	(0.6)
Short-term borrowings	20,954	27,594	31.7
Trade and other payables	116,582	113,594	(2.6)
Current portion of long-term borrowings	17,954	75,304	NM
Current portion of lease liabilities	70,831	18,255	(74.2)
Other current liabilities	8,098	4,714	(41.8)
Total current liabilities	234,419	239,462	2.2
Long-term borrowings	261,913	263,857	0.7
Deferred income tax liabilities	7,601	5,411	(28.8)
Liabilities under agreements and licenses for operations	64,390	53,845	(16.4)
Employee benefit obligations	3,788	3,694	(2.5)
Lease liabilities	106,971	104,670	(2.2)
Other non-current liabilities	15,668	15,633	(0.2)
Total non-current liabilities	460,331	447,109	(2.9)
Total liabilities	694,750	686,571	(1.2)
Issued and fully paid-up share capital	138,208	138,208	0.0
Premium on share capital	32,926	145,076	340.6
Premium on treasury shares	51	51	0.0
Retained earnings	-	-	-
Appropriated - legal reserve	1,655	1,655	0.0
Appropriated - treasury shares reserve	-	-	NM
Retained earnings (deficits)	(184,279)	(180,931)	1.8
Less Treasury shares	-	-	NM
Other components of equity	(2,194)	(2,186)	0.4
Equity attributable to owners of the parent	98,517	101,874	3.4
Non-controlling interests	425	428	0.9
Total equity	98,942	102,302	3.4
Total liabilities and equity	793,692	788,873	(0.6)

Outlook 2023

Guidance 2023 (for 10 months of 2023 from amalgamation date, excluding impact from NBTC remedies):

- Service revenue excluding IC: Flat
- EBITDA: Flat to low single digit decline
- Capital Expenditure: THB 25 – 30 Billion

True Corporation will continue to accelerate the realization of revenue synergies by utilizing the cross selling and upselling opportunities while structurally focusing on efficiency measures. Delivering on expected synergies remains key for sustainable future growth. Guidance for the year is reserved considering the large-scale transformation of True Corporation's business and operations post-amalgamation.

Dividend Policy

The dividend payment policy of the Company is to pay no less than 50% of its net profits based on the separate financial statements of the Company (after deduction of legal reserve), depending on its financial position and future business plans. For the dividend policy of subsidiary companies, Board of Directors considers the dividend payment from the balance of cash flows taking into account the capital expenditure requirements. Subject to the availability of cash flows and a legal reserves, the Board of Directors shall consider the payment of dividends on a case-by-case basis.