



EXECUTIVE SUMMARY

ALT Telecom Public Company Limited ("ALT")'s performance for the 2nd quarter ended June 30, 2020 compared to same period of previous year are summarized as follows:

Unit : Million THB

	Consolidated FS			Separate FS		
	Q2/2020	Q2/2019	Up (Down)	Q2/2020	Q2/2019	Up (Down)
Total revenue	401.94	186.31	215.63	168.71	44.02	124.69
Total cost	(421.62)	(164.65)	256.97	(0.00)	(68.30)	(68.30)
Gross profit (loss)	(19.69)	21.66	(41.34)	(65.29)	(24.28)	(41.01)
Other income	47.56	8.70	38.87	80.23	14.53	65.70
Selling expenses	(18.67)	(16.28)	2.39	(9.04)	(5.32)	3.72
Admin expensed	(10.20)	(31.12)	(20.92)	(4.31)	(15.19)	(10.87)
Net profit (loss)	45.28	(37.18)	82.46	22.93	(37.10)	60.03

Consolidated Financial Statement

- o Total revenue increased 116% from THB 186.31 million in 2Q/19 to THB 401.94 million in 2Q/20
- o Revenue from services with an increase of 339% from THB 70.02 million to THB 307.65 million. The major portion of change resulted from revenue from Smart Grid Project.
- o Revenue from product sales decreased 39% from THB 68.41 million to THB 41.41 million.
- o Revenue from network service increased 10% from THB 47.87 million to THB 52.88 million.
- o Due to the cost and budget adjustment of some projects, resulting in higher cost than general period, but it was not a recurring cost. As a consequence of negative gross profit amounting to THB 19.69 million. The Company expects to receive compensation when the project recognizes the incremental revenue from future expansion
- o Other income of THB 47.56 million, mainly item was the profit from the business restructuring by transferring 2 optical fiber cable networks to Smart Infranet Company Limited, a joint venture between ALT and RATCH, with a proportion of holding 49% to 51%, respectively.
- o Administrative expenses decreased about THB 20.92 million or 67%. Most of them were reversal of allowance for impairment of trade receivables, which was a result of better collection of receivables.

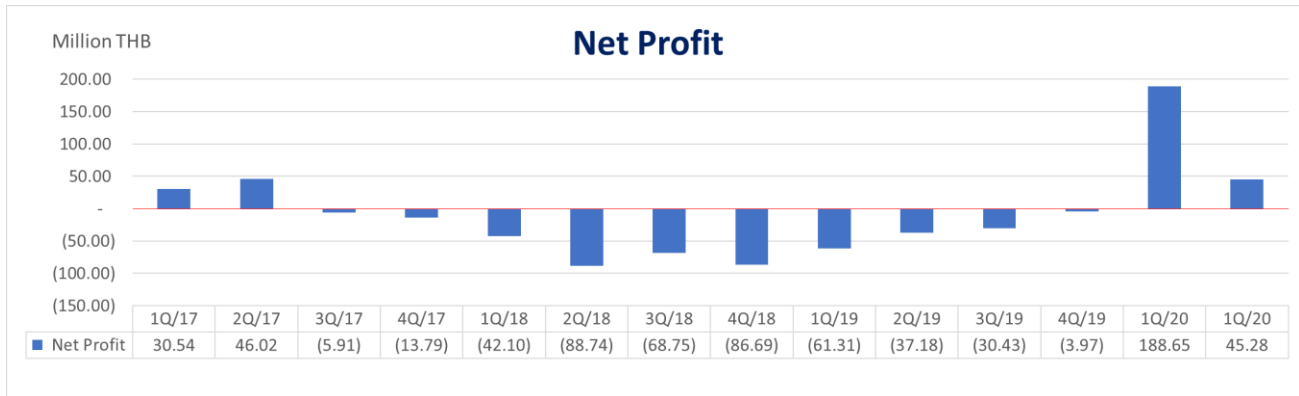


ALT Telecom Public Company Limited

Management Discussion and Analysis for the 2nd Quarter ended June 30, 2020

- Overall performance of the Company had a net profit of THB 45.28 million in the consolidated financial statements and a net profit of THB 22.93 million in the separate financial statements.
- As at the end of the 2Q/20, the company has backlog in the number of THB 1,732 million.

DIRECTION AND STRATEGY OF BUSINESS DRIVING IN 2020



This year 2020, it would be the year of corporate restructuring. Several negative factors that burdened the Company's growth in the past, those have been gradually improved. In the 1Q/2020, the Company received compensation from the parties according to the order of the Administrative Court at the amount of THB 370 million. While in the 2Q/2020, the Company has achieved the goal of restructuring by transferring 2 optical fiber cable networks to the joint venture, Smart Infranet Company Limited, which is a joint venture between the Company and its partner, RATCH, who has financial strength and has strategies in line with the Company's direction. Therefore, it is one of the factors that will support the Company's business plan to develop into concrete implementation faster and create the long-term sustainable profits.

In the second half of 2020, the company still plans to restructure and expand its business in a number of projects, such as the acquisition of Energy Max Co., Ltd., a manufacturer and distributor of electronic meters in order to fully support the expansion of the Smart Grid project. Furthermore, another project to joint venture with the partners to support investment and construction of telecom towers and base stations to support the partner's 5G network.

However, although the company has a goal to expand the business for continued growth. But the Company has realized the importance of and of liquidity and profit balancing at the same time. In order to maintain the benefit of shareholders to have the appropriate and consistent returns.

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