



EXECUTIVE SUMMARY

ALT Telecom Public Company Limited ("ALT")'s performance as shown in consolidated financial statement for the 1st quarter ended 31 March 2021 compared to same period of previous year are summarized as follows:

Income Statement	Q1/2021		Q1/2020		Up (Down)	
			Restated			
Million THB						
Revenues						
Sales	4.59	2.1%	15.66	9.7%	(11.07)	-70.7%
Services- construction	142.67	66.8%	102.12	63.1%	40.55	39.7%
Services - network	66.21	31.0%	43.96	27.2%	22.24	50.6%
Total revenues	213.46	100.0%	161.75	100.0%	51.72	32.0%
Cost						
Cost of sales	(4.52)	-98.5%	(6.24)	-39.9%	(1.73)	-27.6%
Cost of services - construction	(139.56)	-97.8%	(145.59)	-142.6%	(6.04)	-4.1%
Cost of service - network	(61.21)	-92.4%	(45.01)	-102.4%	16.20	36.0%
Total cost	(205.28)	-96.2%	(196.85)	-121.7%	8.44	4.3%
Gross (loss) profit	8.18	3.8%	(35.10)	-21.7%	43.28	123.3%
Other income	7.00	3.3%	375.34	232.1%	(368.34)	-98.1%
Selling expenses	(14.35)	-6.7%	(16.97)	-10.5%	(2.62)	-15.4%
Administrative expenses	(28.68)	-13.4%	(50.72)	-31.4%	(22.04)	-43.5%
Loss from exchange rate	2.49	1.2%	2.16	1.3%	0.34	15.8%
Share of loss of associate	(1.56)	-0.7%	(13.46)	-8.3%	(11.89)	-88.4%
Share of loss of JV	(0.75)	-0.4%	(1.17)	-0.7%	(0.42)	-35.8%
Finance costs	(4.03)	-1.9%	(11.52)	-7.1%	(7.49)	-65.0%
Profit (loss) before income tax	(31.71)	-14.9%	248.55	153.7%	(280.25)	-112.8%
Income tax	(0.39)	-0.2%	(60.37)	-37.3%	(59.98)	-99.4%
Profit (loss) for the period	(32.09)	-15.0%	188.17	116.3%	(220.27)	-117.1%

FS 2020 Restated

As a result of shares acquisition of Energy Max Co., Ltd. (EMAX) dated August 19, 2020 at the portion of 97.82% from previous shareholder – ALT Holding Co., Ltd, who has control over the Company and EMAX. This transaction is determined as business combination under common control. The Company therefore reflected this transaction in the consolidated financial statements as if the transaction incurred since 1 January 2019. This follows the guideline for business combination under common control as issued by the Federal of Accounting Professions. The purpose of this restatement is for comparison and analysis on financial report.

- Total revenue increased by 32.0% from THB 161.75 million in Q1/20 to THB 213.46 million in Q1/21
- Particularly revenue from network services with an increase of 50.6% from THB 43.96 million to THB 66.21 million. It was the first quarter that network service revenue exceeded the breakeven point. It was the clearly positive sign.
- Revenue from sale decreased by THB 11.07 million, while revenue from construction service increased by THB 40.55 million or 39.7%
- Gross profit improved from loss THB 35.10 million in Q1/20 to be gain THB 8.18 million in Q1/21



ALT Telecom Public Company Limited

Management Discussion and Analysis for the 1st Quarter ended Mar 31, 2021

- Other income in Q1/21 retained to normal level at THB 7.0 million, compared to the previous year THB 375.34 million, which included the extra item from compensation on legal disputes about THB 369.62 million.
- Administrative expense decreased by THB 22.04 million from THB 50.72 million in Q1/20 to the normal level at THB 28.68 million in Q1/21. There was write-off expense on defected network equipment THB 15.69 million in Q1/20.
- Finance cost decreased by THB 7.49 million หรือ 65% from THB 11.52 million in Q1/63 to THB 4.07 million. It was the consequence of debt repayment.
- Net profit in Q1/21 was loss THB 32.09 million compared to gain of THB 188.17 million Q1/20. In case of excluding extra items in other income of Q1/20, the normal performance before tax has improved by THB 88.09 million or 73.5% from the loss before tax of THB 119.80 million in Q1/20 to THB 31.71 million in Q1/21.
- At the end of the 1Q/21, the Company has backlog on hand in the number of THB 1,088 million.

	Million THB		
Financial Position	Mar 30, 21	Dec 31, 20	Up (Down)
Assets			
Current assets	931.29	1,405.04	(473.74) -33.7%
Non-current assets	1,768.41	1,796.56	(28.15) -1.6%
Total assets	2,699.70	3,201.60	(501.90) -15.7%
Liabilities & equity			
Current liabilities	513.80	961.04	(447.23) -46.5%
Non-current liabilities	386.97	409.54	(22.57) -5.5%
Total liabilities	900.77	1,370.57	(469.80) -34.3%
Paid-up capital	566.11	566.11	- 0.0%
Share premium	1,341.06	1,341.06	- 0.0%
Other component	33.58	33.17	0.41 1.2%
Retained earning	(142.09)	(110.01)	(32.08) 29.2%
<i>Legal reserve</i>	62.50	62.50	- 0.0%
<i>Unappropriated</i>	(204.59)	(172.51)	(32.08) 18.6%
Non-controlling interests	0.27	0.69	(0.42) -61.5%
Total equity	1,798.93	1,831.02	(32.09) -1.8%
Total liabilities & equity	2,699.70	3,201.60	(501.90) -15.7%
Debt to equity	0.50	0.75	
Net interest bearing debt to Equity	-0.10	-0.06	
Current Ratio	1.81	1.46	

Total assets of the Company decreased by THB 501.90 million. Total liabilities decreased by THB 469.80 million. The major changes of assets were the decrease in cash on hand and account receivable amounting to THB 238.36 million and THB 190.64 million respectively. While the major changes of liabilities were the decrease of banks' loan and account payable in the number of THB 321.97 million and THB 119.87 million respectively.

The changes in financial position resulted in the changes Debt to Equity Ratio, it decreased from 0.75 at the end of year 2020 to 0.50 at the end of Q1/21. Current Ratio changed to the better position as well, from 1.46 at the end of year 2020 to 1.81 at the end of Q1/21. The negative sign of interest-bearing debt to Equity Ratio meant cash on hand of the Company was greater than the balance of interest-bearing debt.



	Million THB	
Cash Flow	Q1/2021	Q1/2020
Net cash generated from operation	118.90	281.51
Net cash generated from investment	(10.29)	123.78
Net cash generated from finance	(338.07)	(162.38)
Net cash flow	(229.46)	242.92
Beginning cash	497.44	37.48
Ending cash	267.98	280.40

In Q1/21 the Company had net cash from operation amounting to THB 118.90 million, most of cash was used to repay loan. The total cash payment for financing activity was THB 338.07 million. As at the end of Q1/21 the Company had cash on hand amounting to THB 267.98 million.

DIRECTION AND STRATEGY OF BUSINESS DRIVING IN 2021

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, in order 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., and Information Highway Co., Ltd. to provide services to domestic customers and invest through a subsidiary named International Gateway Co., Ltd. to provide services to foreign operators, including investing through an associate in Myanmar named Myanmar Information Highway Co., Ltd. to provide internet services to customers in Yangon.

Under the COVID-19 pandemic, people are more use of Internet, especially in Myanmar, despite the announcement of a political emergency. The demand of internet usage has increased, with the turnover of the subsidiary; International Gateway Co., Ltd., which provides international bandwidth for customers who are mobile operator and internet service providers in neighbouring countries have higher income, aiming to promote Thailand as an Asian Digital Hub with a project to build cable landing stations to provide the connection point between submarine cable network and terrestrial one, which can develop the submarine cable connection between western and eastern seas together.

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.

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

Making customs system, payment system and insurance system through electronic channels.

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