



EXECUTIVE SUMMARY

The performance of ALT Telecom Public Company Limited ("ALT" or the "Company") as shown in consolidated financial statement for the 3rd quarter ended September 30, 2021 compared to same period of previous year are summarized as follows;

Million THB						
Income Statement	Q3/ 2021		Q3/ 2020		Up (Down)	
Revenues						
Sales	13.87	4.9%	105.80	21.1%	(91.93)	-86.9%
Services- constuction	182.24	64.5%	322.88	64.4%	(140.64)	-43.6%
Services - network	86.31	30.6%	72.91	14.5%	13.40	18.4%
Total revenues	282.42	100.0%	501.59	100.0%	(219.17)	-43.7%
Cost						
Cost of sales	(11.14)	-80.3%	(92.16)	-87.1%	(81.02)	-87.9%
Cost of services - construction	(177.56)	-97.4%	(255.28)	-79.1%	(77.72)	-30.4%
Cost of service - network	(84.07)	-97.4%	(75.76)	-103.9%	8.30	11.0%
Total cost	(272.77)	-96.6%	(423.21)	-84.4%	(150.44)	-35.5%
Gross (loss) profit						
Gross (loss) profit	9.65	3.4%	78.38	15.6%	(68.73)	-87.7%
Other income	6.28	2.2%	59.67	11.9%	(53.39)	-89.5%
Selling expenses	(21.96)	-7.8%	(25.02)	-5.0%	(3.06)	-12.2%
Administrative expenses	(26.08)	-9.2%	(32.18)	-6.4%	(6.10)	-19.0%
Gain from exchange rate	7.26	2.6%	(0.18)	0.0%	7.44	4222.8%
Share of loss of associate	(2.98)	-1.1%	(6.53)	-1.3%	(3.55)	-54.4%
Share of loss of JV	(3.00)	-1.1%	5.19	1.0%	8.19	157.9%
Finance costs	(4.75)	-1.7%	(6.22)	-1.2%	(1.47)	-23.6%
Profit (loss) before income tax	(35.58)	-12.6%	73.10	14.6%	(108.68)	-148.7%
Income tax	2.08	0.7%	(5.85)	-1.2%	(7.94)	-135.6%
Profit (loss) for the period	(33.50)	-11.9%	67.25	13.4%	(100.75)	-149.8%

- Total revenue decreased by 43.7% from THB 501.59 million in Q3/20 to THB 282.42 million in Q3/21
- Revenue from network services continuous increased by 18.4% from THB 72.91 million to THB 86.31 million.
- Gross profit dropped by 87.7%, mainly due to lower service revenue.
- Other income in Q3/21 retained to normal level at THB 6.28 million, compared to the previous year THB 59.67 million, which included the profit from assets disposal of optical fiber cable networks about THB 51.68 million.
- Selling and administrative expenses decreased by 12.2% and 19.0% in line with lower revenues.
- Finance cost decreased by 23.6% as the consequence of debt repayment.
- Net profit in Q3/21 was loss THB 33.50 million compared to gain of THB 67.25 million Q3/20.
- At the end of the 3Q/21, the Company has backlog on hand in the number of THB 1,347 million.



ALT Telecom Public Company Limited

Management Discussion and Analysis for the 3rd Quarter ended September 30, 2021

Financial Position	Million THB		
	Sep 30, 21	Dec 31, 20	Up (Down)
Assets			
Current assets	1,252.69	1,405.04	(152.35) -10.8%
Non-current assets	1,741.30	1,796.56	(55.26) -3.1%
Total assets	2,993.99	3,201.60	(207.61) -6.5%
Liabilities & equity			
Current liabilities	880.83	961.04	(80.21) -8.3%
Non-current liabilities	347.16	409.54	(62.38) -15.2%
Total liabilities	1,227.99	1,370.57	(142.58) -10.4%
Paid-up capital	566.11	566.11	- 0.0%
Share premium	1,341.06	1,341.06	- 0.0%
Other component	33.59	33.17	0.42 1.3%
Retained earning			
<i>Legal reserve</i>	<i>62.50</i>	<i>62.50</i>	- 0.0%
<i>Unappropriated</i>	<i>(237.51)</i>	<i>(172.51)</i>	<i>(65.00) 37.7%</i>
Non-controlling interests	0.24	0.69	(0.45) -64.7%
Total equity	1,766.00	1,831.02	(65.03) -3.6%
Total liabilities & equity	2,993.99	3,201.60	(207.61) -6.5%
Debt to equity	0.70	0.75	
Net interest bearing debt to Equity	-0.10	-0.06	
Current Ratio	1.42	1.46	

As of the end of Q3/21, the Company's total assets decreased by THB 207.61 million. Total liabilities decreased by THB 142.58 million. The major changes of assets were the decrease in account receivable, assets from service contracts and inventories amounting to THB 134.67 million, THB 54.44 million and THB 15.53 million respectively. While the major changes of liabilities were the decrease of banks' loan, account payable and Lease liabilities in the number of THB 43.98 million, THB 33.57 million and THB 43.40 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 0.70 at the end of Q3/21. Net interest-bearing debt to equity ratio at the end of Q3/21 was negative at -0.10 due to the cash balance on hand is higher than the bank loan balance, the net cash balance is 10% of the shareholders' equity. Current Ratio slight change from the end of year 2020 at 1.46 to 1.42. The Company's liquidity remains excellent.

Cash Flow	Million THB	
	9M/2021	9M/2020
Net cash generated from operation	215.84	232.26
Net cash generated from investment	(85.88)	255.24
Net cash generated from finance	(95.15)	(328.69)
Net cash flow	34.82	158.81
Beginning cash	497.44	37.48
Ending cash	532.25	196.29

The Company had cash on hand at the beginning of the period of THB 497.44 million. In the past 9 months, the Company had net cash flow from operations of THB 215.84 million. The cash used in financing activities THB 85.88 million, the main item is the repayment of bank loans and paid for investment of THB 95.15 million. The Company had cash on hand at the end of Q3/2021 at THB 532.25 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.

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.

Under the COVID-19 pandemic, the demand for internet usage has increased dramatically, especially in Myanmar, Despite the declaration of a political emergency, The demand of internet usage has continued to increase by more than 30%. IGC, a subsidiary of the Company, who provided the service of international bandwidth to its customers, who are mobile operators and internet service providers, which located in neighbouring countries, had the higher income from such bandwidth demand. It aims to help promote Thailand as an ASEAN Digital Hub based on Thailand's geographical advantages that are suitable for being

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



the hub of connectivity in the ASEAN region. This enables Thailand to establish a telecommunication network to connect to countries that are the world's major Internet hubs and to connect directly to other regions. with terrestrial fiber optic cable system and submarine cable system

Over the past few months, IGC has developed a network to improve the efficiency of international internet connections, minimize latency as short as possible, which will lead to more comprehensive and faster access to support the higher connectivity standard of new customers segment such as OTT (Over The Top). IGC has commenced the construction of a submarine cable system and submarine cable station in Satun Province. It is the first project of IGC in the submarine cable business to connect the submarine cable system with the international submarine cable project. It is the route from Thailand in Andaman Sea to the connection with Indian Ocean to link the communication systems between countries in Southeast Asia and India.

The submarine cable system project that IGC has participated, is a joint operation between telecom operators and OTT, spanning more than 8,000 kilometers. The connection points starting from Singapore, Malaysia, Thailand, Myanmar and ending in India with 12 fiber-optic pairs along the main route. The system supports data communication capacity of more than 200 Terabits per second (Tbps). The main construction of cable landing station planned to complete and recognize income by the second quarter of 2022.

At present, IGC, one of the subsidiaries that ALT aims to be the main engine to drive the key strategy. It succeeded to provide the services to world class international customers, who is the one of leader in OTT industry with long-term service agreements for both telecommunication network service and submarine cable landing station service in Satun Province. This is a good starting in in submarine cable business, which entrusted by customers in the telecom network of the Company.

Fiber optic telecommunication infrastructure, which the Company has invested through the SIC joint venture to jointly promote the organization of communication network on highways across the country has progressed sequentially, which is the basis for the further development of smart city.

Smart Grid & 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.

In addition, the Company has expanded its business into the energy management by investing Solar Rooftop system and equipment to provide the service for any government entity and private sectors, such as the factory and medium-size companies, to assist the customer produce its own electricity to substitute the purchased electricity. The customers paid to the Company for its energy management service, which is cheaper than the current electricity cost. There is no further cost charged to customers. Apart from cost saving, the customers also involved in environmental protection, to reduce greenhouse gas emissions by using renewable energy.



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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