

## Alpha Networks Inc. Reports First Quarter 2021 Results

Hsinchu, Taiwan, May 7, 2021 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the first quarter of 2021.

The consolidated revenue for 1Q21 was NT\$7,193 million, up 44.3% year-over-year. Gross margin increased 27.1% to NT\$1,074 million and the rise was mainly from the increase of Wireless Broadband and Digital Multimedia products. However, due to changes in product portfolio, the gross profit margin in the first quarter of 2021 was 14.9%, a decrease of 2.1 points year-over-year. Operating expenses were NT\$923 million. Benefited from the growth in revenue and proper control of operating expenses, the operating income was NT\$ 151 million, 2.1% of net sales. Net income was NT\$117 million, the net profit attributable to the owners of the parent company is NT\$113 million equivalent to NT\$0.21 per share, and that performance was better than the same period last year.

1Q21's revenue by product categories: LAN/MAN accounted for 26% of 1Q21 consolidated revenue, followed by Wireless Broadband at 49%, Digital Multimedia at 20%, and Others 5%.

Looking ahead to 2Q21, the continued shortage of related components and the pressure from suppliers to increase prices are the main variables that affect revenue and profits.

Alpha Networks Inc. 1Q21 Results and YoY comparison: (Unit: NT\$ million)

	1Q21	%	1Q20	%	YoY Change %
Net Sales	<b>7,193</b>	<b>100.0</b>	4,984	100.0	44.3%
Gross Profit	<b>1,074</b>	<b>14.9</b>	845	17.0	27.1%
Operating Expenses	<b>923</b>	<b>12.8</b>	930	18.7	-0.8%
Operating Income (Loss)	<b>151</b>	<b>2.1</b>	(85)	(1.7)	277.6%
Income before Tax (Loss)	<b>156</b>	<b>2.2</b>	(105)	(2.1)	248.6%
Net Income (Loss)	<b>117</b>	<b>1.6</b>	(138)	(2.8)	184.8%
Earnings Per Share (NT\$)	<b>0.21</b>		(0.24)		

Alpha Networks Inc. Sales Breakdown for 1Q21 and YoY comparison: (Unit: NT\$ million)

Product Categories	1Q21 Net Sales	%	1Q20 Net Sales	%
LAN/MAN	<b>1,899</b>	<b>26%</b>	2,125	43%
Wireless Broadband	<b>3,493</b>	<b>49%</b>	1,834	37%
Digital Multimedia	<b>1,450</b>	<b>20%</b>	661	13%
Others	<b>351</b>	<b>5%</b>	364	7%
Total	<b>7,193</b>	<b>100%</b>	4,984	100%

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