

## Business Overview

In the second quarter of this year, COVID-19 pandemic situation in Thailand worsens with the number of coronavirus infections and fatalities on rising trend. Tougher lockdown measures, including curfew and closing nearly all businesses in Greater Bangkok and some provinces have been forced by government to curb the spread of the virus. In addition, the distribution of vaccines within the country is still slower than the government's vaccines immunization plan. As a result, the original target for the economy to revive is now seemed to be slower than expected and may lead to negative contraction growth for whole year 2021.

Within telecommunication sector, many businesses are forced to WFH policy and this has driven surge in connectivity demand for businesses to operate remotely and virtually to continue their operations. The Company also have seen the positive impact from increasing demand for both domestic and international connectivity but at the same time, have to support certain business sectors, who were badly affected by the COVID-19 lockdown. During this critical period, the Company has also focus to improve the network stability and backbone expansion to deliver much better service level experience especially for long term in view of full transformation of digital operations across all businesses in future.

## Quarter Performance

The Company showed its performance to be back on a growth track, reporting good results in second quarter with Revenue of Baht 366.9 million and Core Net Profit Baht 36.5 million, increased by 6.0% and 28.3% compared with QoQ, due to increasing services revenue growth and better cost management.

The overall good Q2 performance has resulted in positive growth on YoY with 11.4% growth on Revenue and also push higher Core Net Profit increased by 85.1%. Included the share of loss of associate of Baht 8.6 million, the Reported Net Profit was Baht 27.9 million, also higher QoQ and YoY respectively.

## Year-to-Date (6mths) Performance

For 6Ms performance, the Company posted Revenue of Baht 713.2 million and Core Net Profit of Baht 65.0 million respectively, increased by 7.6% and 23.9% compared with YoY due to continued growth of connectivity services revenue and effective cost management that affect to overall lower operating cost. Included share of loss of associate of Baht 16.7 million, the Reported Net Profit was Baht 48.3 million.

## Special Update

Previously, the Company had a dispute with NBTC in relation with the profit sharing of USO fee during period of 1 January 2011 to 30 May 2012. On 30 June 2021, the Supreme Administrative Court ruled in favor of the Company by revoking the resolution of the Telecommunications Commission (TC) (currently the NBTC), which requires the Company to pay the USO fee from the allocated revenue during 1 January 2011 to 30 May 2012. Therefore, the Company no longer have to pay those amounts

to the NBTC. The Company's management believes that the Supreme Administrative Court's judgement is favorable to the Company. Currently, the Company is in the process of confirming with NBTC on their acceptance of the final Supreme Administrative Court judgement.

## 2Q2021 Performance Overview

### Revenue

In 2Q2021, service revenue was Baht 362.4 million, increased by 10.6% YoY and 6.9% QoQ, due to higher revenue from domestic and international service segments resulted from more demand for connectivity during this COVID-19 pandemic period.

Other income was Baht 4.5 million, decreased 37.7% QoQ, due to lower gain on exchange rate. Meanwhile, it increased >100% YoY, mainly due to gain on exchange rate in 2Q2021 but loss on exchange in 2Q2020.

For 2Q2021, total revenue was Baht 366.9 million, increased by 6.0% QoQ, and by 11.4% YoY mainly from rising demand growth on services revenue in both domestic and international segments.

Unit : Million Baht	Amount			Change		Amount		Change
	Q2/20	Q1/21	Q2/21	(%) QoQ	(%) YoY	6M2020	6M2021	(%) YoY
<b>Revenue</b>								
Service revenue	327.8	339.0	362.4	6.9%	10.6%	650.5	701.5	7.8%
Other income	1.5	7.2	4.5	-37.7%	199.5%	12.2	11.8	-3.8%
<b>Total Revenue</b>	<b>329.3</b>	<b>346.2</b>	<b>366.9</b>	<b>6.0%</b>	<b>11.4%</b>	<b>662.7</b>	<b>713.2</b>	<b>7.6%</b>
Costs of Services and Sales (excl. D&A)	(109.2)	(128.5)	(138.5)	7.8%	26.8%	(220.5)	(267.0)	21.1%
Depreciation & Amortization (D&A)	(101.1)	(94.8)	(96.9)	2.3%	-4.1%	(202.9)	(191.7)	-5.5%
<b>Total Cost of Services and Sales</b>	<b>(210.3)</b>	<b>(223.3)</b>	<b>(235.4)</b>	<b>5.5%</b>	<b>12.0%</b>	<b>(423.5)</b>	<b>(458.7)</b>	<b>8.3%</b>
Service & Administrative Expenses (excl. D&A)	(66.8)	(60.1)	(64.0)	6.4%	-4.2%	(120.8)	(124.1)	2.8%
Depreciation & Amortization (D&A)	(13.5)	(12.3)	(12.5)	1.8%	-7.0%	(27.1)	(24.8)	-8.3%
<b>Total Service &amp; Administrative Expenses</b>	<b>(80.3)</b>	<b>(72.4)</b>	<b>(76.5)</b>	<b>5.6%</b>	<b>-4.7%</b>	<b>(147.8)</b>	<b>(148.9)</b>	<b>0.7%</b>
<b>Operating Profit/(Loss)</b>	<b>38.7</b>	<b>50.6</b>	<b>55.0</b>	<b>8.8%</b>	<b>42.0%</b>	<b>91.4</b>	<b>105.6</b>	<b>15.5%</b>
Financial Cost	(14.9)	(13.4)	(12.3)	-8.4%	-17.3%	(30.9)	(25.7)	-16.7%
Income Tax Expenses	(4.1)	(8.7)	(6.2)	-28.7%	50.2%	(8.1)	(14.9)	84.0%
<b>Core Net Profit/(Loss) for the period</b>	<b>19.7</b>	<b>28.4</b>	<b>36.5</b>	<b>28.3%</b>	<b>85.1%</b>	<b>52.5</b>	<b>65.0</b>	<b>23.9%</b>
Share of loss of associate accounted for using equity method	0.0	(8.1)	(8.6)	5.4%	100.0%	0.0	(16.7)	100.0%
<b>Net Profit/(Loss) for the period</b>	<b>19.7</b>	<b>20.3</b>	<b>28.0</b>	<b>37.5%</b>	<b>41.7%</b>	<b>52.5</b>	<b>48.3</b>	<b>-8.0%</b>
<i>Core Net Profit/(Loss) Margin</i>	<i>6.0%</i>	<i>8.2%</i>	<i>9.9%</i>			<i>7.9%</i>	<i>9.1%</i>	
<i>Net Profit/(Loss) Margin</i>	<i>6.0%</i>	<i>5.9%</i>	<i>7.6%</i>			<i>7.9%</i>	<i>6.8%</i>	

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change
	Q2/20	Q1/21	Q2/21	(%) QoQ	(%) YoY	6M2020	6M2021	(%) YoY
<b>EBITDA</b>								
Operating Profit /( Loss)	38.7	50.6	55.0	8.8%	42.0%	91.4	105.6	15.5%
Depreciation & Amortization (D&A)	114.5	107.1	109.5	2.2%	-4.4%	230.0	216.5	-5.9%
<b>EBITDA</b>	<b>153.2</b>	<b>157.6</b>	<b>164.5</b>	<b>4.3%</b>	<b>7.3%</b>	<b>321.4</b>	<b>322.1</b>	<b>0.2%</b>
<i>EBITDA Margin</i>	<i>46.5%</i>	<i>45.5%</i>	<i>44.8%</i>			<i>48.5%</i>	<i>45.2%</i>	

### Costs of Services and Sales (COSS)

In 2Q2021, Costs of Services and Sales were Baht 235.4 million, increased by 12.0% YoY mainly due to the higher from cable rental on domestic and international segment to support higher connectivity demand for Enterprises during WFH and increasing international traffic demand from Myanmar situation.

For compare QoQ, increased by 5.5% mainly due to the same factors above that is from higher cable rental on domestic and international and depreciation expense.

### Service & Administrative (S&A) Expenses

In 2Q2021, Service & Administrative expenses were Baht 76.5 million, decreased by 4.7% YoY mainly due to forex loss, higher depreciation and amortisation and profession fee.

For compare QoQ, increased by 5.6% mainly due to higher depreciation and amortisation, provision for doubtful debt and employee expense.

### EBITDA and Net Profit

In 2Q2021, EBITDA closed at Baht 164.5 million, increased by 7.3% YoY due to higher revenue, forex gain of Baht 2.6 million and lower financial costs. For QoQ, EBITDA increased by 4.3% due to strong revenue growth coming from both Domestic and International segments.

Core Net Profit also closed at Baht 36.5 million, increased by 85.1% YoY due to higher service revenue and lower finance cost. For QoQ, the Core Net Profit increased by 28.3% mainly due to positive growth in service revenue by 6.9%. Included the share of loss of associate, the Reported Net Profit was Baht 28.0 million, also higher YoY and QoQ.

## Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-20		30-Jun-21		Change	
	Amount	%	Amount	%	Amount	(%) YoY
<b>Assets</b>						
Cash and cash equivalents	695.8	16.4%	548.6	13.5%	(147.2)	-21.2%
Trade and other account receivables	238.6	5.6%	278.8	6.8%	40.2	16.9%
Other current assets	109.5	2.6%	101.8	2.5%	(7.7)	-7.0%
<b>Total current assets</b>	<b>1,043.8</b>	<b>24.7%</b>	<b>929.2</b>	<b>22.8%</b>	<b>(114.6)</b>	<b>-11.0%</b>
Investment in associate	41.0	1.0%	24.3	0.6%	(16.7)	-40.7%
Long-term loans to related party	83.3	2.0%	107.8	2.6%	24.5	29.4%
Network equipment and PPE	2,854.1	67.5%	2,830.5	69.5%	(23.7)	-0.8%
Other non-current assets	207.7	4.9%	181.4	4.5%	(26.2)	-12.6%
<b>Total non-current assets</b>	<b>3,186.1</b>	<b>75.3%</b>	<b>3,144.0</b>	<b>77.2%</b>	<b>(42.1)</b>	<b>-1.3%</b>
<b>Total assets</b>	<b>4,229.9</b>	<b>100.0%</b>	<b>4,073.2</b>	<b>100.0%</b>	<b>(156.7)</b>	<b>-3.7%</b>
<b>Liabilities and shareholders' equity</b>						
Trade payables	310.8	7.3%	326.7	8.0%	15.9	5.1%
Current portion of long-term/ short-term loans	401.5	9.5%	404.4	9.9%	2.9	0.7%
Other current liabilities	83.4	2.0%	87.2	2.1%	3.7	4.5%
<b>Total current liabilities</b>	<b>795.7</b>	<b>18.8%</b>	<b>818.2</b>	<b>20.1%</b>	<b>22.5</b>	<b>2.8%</b>
Long-term loans	896.3	21.2%	710.5	17.4%	(185.8)	-20.7%
Other non-current liabilities	105.6	2.5%	83.6	2.1%	(22.0)	-20.8%
<b>Total non-current liabilities</b>	<b>1,001.9</b>	<b>23.7%</b>	<b>794.0</b>	<b>19.5%</b>	<b>(207.8)</b>	<b>-20.7%</b>
<b>Total liabilities</b>	<b>1,797.6</b>	<b>42.5%</b>	<b>1,612.2</b>	<b>39.6%</b>	<b>(185.3)</b>	<b>-10.3%</b>
<b>Shareholders' Equities</b>	<b>2,432.3</b>	<b>57.5%</b>	<b>2,461.0</b>	<b>60.4%</b>	<b>28.7</b>	<b>1.2%</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,229.9</b>	<b>100.0%</b>	<b>4,073.2</b>	<b>100.0%</b>	<b>(156.7)</b>	<b>-3.7%</b>

Unit : Million Baht	As of 30-Jun-20	As of 30-Jun-21
Cash flows from operating activities	273.1	325.1
Cash flows used in investing activities	(50.8)	(206.9)
<b>Free cash flows</b>	<b>222.3</b>	<b>118.3</b>
Cash flows used in financial activities	(176.4)	(265.4)
Net change in cash	45.9	(147.2)
<b>Beginning Cash and Cash Equivalents</b>	<b>362.2</b>	<b>695.8</b>
<b>Ending Cash and Cash Equivalents</b>	<b>408.1</b>	<b>548.6</b>

As of 30 June 2021, total assets were Baht 4,073.2 million, decreased by 3.7% from 31 December 2020, mainly due to share of loss of associate accounted for using equity method of investment in associate to amount Baht 16.7 million and cash and cash equivalents reduced by amount Baht 147.2 million from working capital and operational capex.

Cash and cash equivalents were Baht 548.6 million, decreased by 21.2% from 31 December 2020 due to working capital and operational capex.

Network equipment and PPE assets were Baht 2,830.5 million, decreased by 0.8% from 31 December 2020 mainly due to the recognition of depreciation during the period.

Total liabilities were Baht 1,612.2 million, decreased by 10.3% from 31 December 2020 mainly due to loan repayment during the period.

Total shareholders' equity was Baht 2,461.0 million, increased by 1.2% from 31 December 2020 due to the positive net operating result during the period.

As of 30 June 2021, Debt to Equity (D/E) ratio was 0.66x (*as at 31 December 2020: 0.74x*)

### 2021 Outlook

For the second half of the year, the Company expects that the economy recovery depends mainly on the epidemic situation and the acceleration of vaccination. The market situation and business outlook remain challenging for many businesses and expect to slowly gain back to normal by earliest of 2022.

The company remain positive and committed to maintain earnings growth for whole year 2021 even in the epidemic COVID-19 situation. During this period, the accelerating push factor for digital transformation and connectivity demand will drive our Company to fully focus on delivering the best network stability and quality and also focus to explore more services with comprehensive solutions to domestic enterprises and also regional providers.