

ที่ INET AC 024/2564

August 11, 2021

Subject: Management's Discussion and Analysis for Q2/2021

To: The President of The Stock Exchange of Thailand

Enclosure: 1. A Set of the Management's Discussion and Analysis for Q2/2021

(Thai / English)

Internet Thailand Public Company Limited ("INET") would like to submit its audited consolidated financial statements and separate financial statements for 6 months period ended June 30, 2021.

The operation result of the Company and its subsidiaries ("the Company") of the 6 months period ended June 30, 2021 amounting to Baht 24.92 million. Please see further details in the Management's Discussion and Analysis for the Q2/2021 as attached.

Best regards,



Mrs. Morragot Kulatumyotin

Managing Director

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## Internet Thailand Public Company Limited

### Management Discussion and Analysis for the First Quarter Ended 30 June, 2021

#### Business Overview

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Internet Thailand Public Company Limited (“Company”) is a one-stop service provider of ICT infrastructure for businesses and individuals who wish to use ICT as a tool to enhance the competitiveness of their businesses. The company's services cover both cloud services and digital services. Full internet network connection providing data center services with various devices for those who want an efficient service at an international standard, to use as a tool to increase efficiency for their businesses. The Company is focused on providing services in infrastructure. Infrastructure as a Service is an essential ICT tool that Thai businesses can use to enhance their business competitiveness and manage their business costs more efficiently. In order to bring ICT technology to be applied within the organization in accordance with the digital economy society. Starting from the use of cloud solutions that meet international standards. High security and located in Thailand, this is the main services that the company is committed to providing, a new alternative to various organizations. Until now, the company has been considered the leader in providing Cloud Services to build confidence with businesses. The company offers services to interested customers to test the system before using the service which has received good feedback. As a result, new customers are continually testing and using the service and we can offer additional services on demand and suit the rapidly growing trend of Cloud Solutions. Gartner, the world's leading information technology research and analysis company. Reported that the cloud services industry will continue to grow until 2022.

Q2/21, the COVID-19 epidemic situation continues to affect the country's economy from the 4th wave of outbreak since April 2021 but the Cloud Service market continues to grow. The Company continues to use the Secure Market strategy, focusing mainly on Cloud service and Paperless and Platform service sales, delaying the sales of Knowledge as a Service group, focusing on customers who are interested in technology to adapt to the organization or use technology to enhance their business competitiveness. At the same time, it continues to provide services related to the Internet of Things (IoT), including the Data analytic platform, which is the use of big data (Big Data) to analyze and process by technology to bring the data obtained to help in business or other purposes and management of Software as a service (SaaS) for example E-Tax, E-WHT etc. The service user will receive the software service on the cloud system that the service provider will be responsible for taking care of

everything for example networking, server, hardware as well as software development design. Overall, the ICT service business remains an essential business in the face of the COVID-19 epidemic in Thailand.

## Summary of operating performance for Quarter 1/2021

(Unit : million Baht)

Detail	Q 2/2021	Q 1/2021	Q 2/2020	YoY	%YoY	QoQ	%QoQ
Revenue	395,022	410,570	461,783	(66,761)	-14.46%	(15,548)	-3.79%
Cost of Goods Sold	(269,436)	(289,117)	(349,885)	80,449	-22.99%	19,681	-6.81%
Gross Profit	125,586	121,453	111,898	13,688	12.23%	4,133	3.40%
Other Revenue	26,803	13,320	4,343	22,460	517.15%	13,483	101.22%
SG&A	(91,756)	(78,557)	(68,085)	(23,671)	34.77%	(13,199)	16.80%
Share profit(loss) associates and investment in joint venture	4,834	5,284	3,967	867	0.00%	(450)	0.00%
Interest	(44,706)	(42,819)	(37,297)	(7,409)	19.86%	(1,887)	4.41%
EBI	20,761	18,681	14,826	5,935	40.03%	2,080	11.13%
Tax	(10,468)	(4,053)	(9,151)	(1,317)	14.39%	(6,415)	158.28%
Net Profit	10,293	14,628	5,675	4,618	81.37%	(4,335)	-29.63%

The Company and our subsidiaries' total revenue at the end of the period June 30, 2021 amounted to 395.02 million baht, a decrease of 14.46% compared to the previous year. Even though the economic situation has not been affected by the COVID-19 epidemic in Q2/2020, the main decrease in revenue came from service customers who were severely affected by the COVID-19 epidemic. However, the company's cost decreased by 22.99%, varying from the decrease in revenue including effective service cost management but the gross profit margin increased by 12.23%, SG&A expenses increased 34.77% compared to the previous year and increased 16.80% compared to Q1/2021 from the provision of credit losses to be consistent with the current situation. The company has other income of 26.80, resulting in a net profit increased by 81.37% compared to Q2/2020.

### Cost of service and cost of goods sold

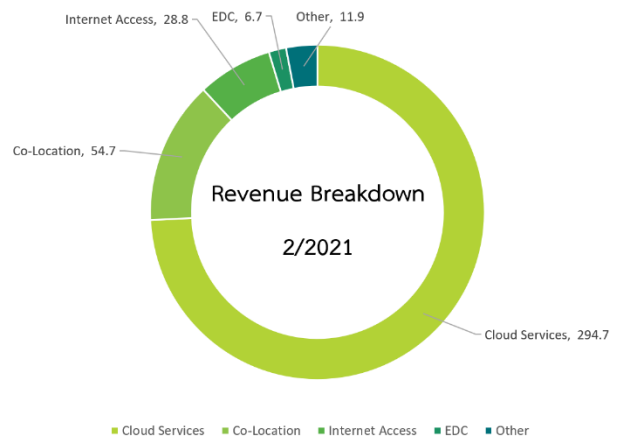
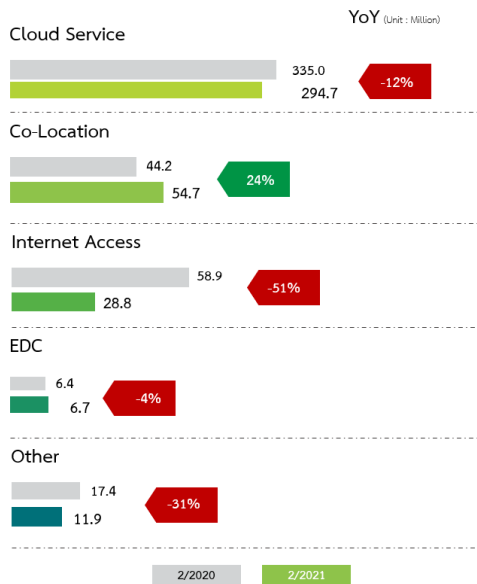
The Company and our subsidiaries had cost of service and cost of sales of 269.44 million baht, a decrease of 80.45 million baht from the previous year, or a decrease of 22.99%. This was due to lower cost of service which was vary according to the decrease in income including efficient cost management, such as electricity costs within the Data Canter since most of the users switched from renting co-location to place the server of the user and became more use of Cloud services. Furthermore, reducing the cost of Internet Access services which is in

accordance with the company's sales policy including effective service cost management by negotiating prices from vendors such as license fees, bandwidth or hardware, etc.

### Financial cost

The company had financial costs worth 44.71 million baht, an increase of 19.86% compared to the previous year because there is a source of funds to enhance the liquidity of the business.

### Revenue Breakdown

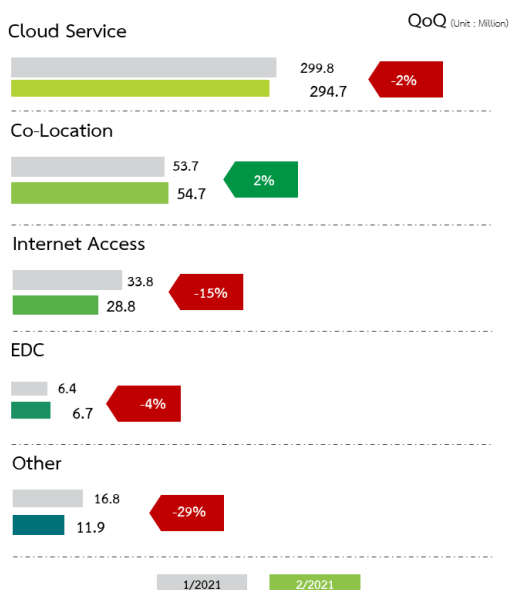


### Income Categorized by Business Type:

Overall, revenue by business segment grew decreased by 14% compared to the previous year and decreased by 3% compared to the previous quarter.

**Cloud Services** The company had revenue from cloud services of 294.7 million baht, a decrease of 12% from the previous year, as a result of customers affected by the COVID-19 epidemic situation since the end of Q1/2020. The main decrease in revenue came from customers in the service category.

**Co -Location** The Company had revenue from Co-Location services of 54.7 million baht, an increase of 24% from the previous year, which was a growth in revenue from Co-Location services at INET-IDC3 Phase 1, Saraburi Province.



**Internet Access** The Company's income from Internet Access services amounted to 28.8 million baht, a decrease of 5.1% from the previous year due to a highly competitive business. The Company therefore uses a method to reduce the cost of providing Internet Access services that must be purchased from other vendors and focus on providing Internet Access service that is the connection of the main service.

## Statement of Financial Position

(Unit : Million Baht)

Detail	30 June 2021	31 December 2020	% Increase(Decrease)
<b>Asset</b>			
Current Asset	1,141,180	1,108,674	2.93%
Non-current Asset	6,359,540	6,175,370	2.98%
<b>Total Asset</b>	<b>7,500,720</b>	<b>7,284,044</b>	<b>2.97%</b>
<b>Liabilities and Shareholders' Equity</b>			
Current Liabilities	4,694,343	3,128,818	50.04%
Non-current Liabilities	790,988	2,164,758	-63.46%
<b>Total Liabilities</b>	<b>5,485,331</b>	<b>5,293,576</b>	<b>3.62%</b>
Shareholders' Equity	2,015,389	1,990,468	1.25%
<b>Total liabilities and shareholders' equity</b>	<b>7,500,720</b>	<b>7,284,044</b>	<b>2.97%</b>

### Total Assets

The company has total assets as of June 30, 2021, equal to 7,500.72 million baht, compared to December 31, 2020, an increase of 216.68 million baht or 2.97%, mainly due to an increase in trade accounts receivable of 36.02 million baht from the end of the period and Assets arising from the project under construction were 227.14 million baht, resulting in an increase in total assets.

### Total liabilities

The company has total liabilities as of June 30, 2021, equal to 5,485.33 million baht, compared to December 31, 2020, an increase of 191.76 million baht or 3.62%, due to an increase in trade and other current payables of 144.95 million baht. from the end of the period, mainly due to the increase in trade accounts payable of the business and payables arising from the purchase of assets and portion of short-term loans and increased

liabilities under financial lease agreements from cash flow to enhance the liquidity of the business. After the reporting period The Company has repaid long-term loans and liabilities under financial lease agreements in the amount of 1,073.90 and 631.96 million baht, respectively. Therefore, the portion of liabilities that are repaid is classified as current liabilities.

#### Shareholders' equity

The Company has shareholders' equity as of June 30, 2021 equal to 2,015.39 million baht, an increase from as of December 31, 2020 by 24.92 million baht, due to an increase in retained earnings from profits for the year 2020 and profit for the Q1/2021.