



ที่ INET AC 025/2564

November 11, 2021

Subject: Management's Discussion and Analysis for Q3/2021

To: The President of The Stock Exchange of Thailand

Enclosure: 1. A Set of the Management's Discussion and Analysis for Q3/2021
(Thai / English)

Internet Thailand Public Company Limited ("INET") would like to submit its audited consolidated financial statements and separate financial statements for 9 months period ended September 30, 2021.

The operation result of the Company and its subsidiaries ("the Company") of the 9 months period ended September 30, 2021 amounting to Baht 101.77 million. Please see further details in the Management's Discussion and Analysis for the Q3/2021 as attached.

Best regards,

Mrs. Morragot Kulatumyotin

Managing Director

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Internet Thailand Public Company Limited

Management Discussion and Analysis for the Third Quarter Ended September 30, 2021

Business Overview

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.

Overview of the company in the 3rd quarter of 2021

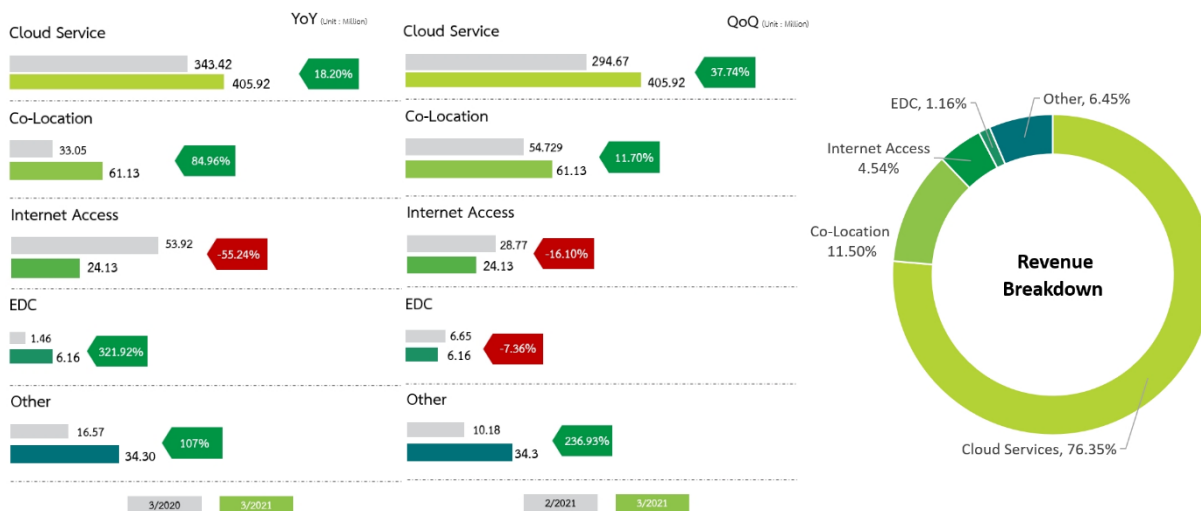
1. Due to the ongoing situation of the COVID-19 epidemic and tighter lockdowns to control the spread of COVID-19, the 3rd wave, caused the Thai economy to slow down from the same period last year. Management must also closely assess the situation. It also focuses on using the Secure Market strategy, focusing mainly on selling Cloud service, Paperless and Platform service, focusing on customers who are interested in technology to adapt to the organization or use technology to enhance their business competitiveness.
2. The Company acquired 25% of INETREIT units and entered into the asset sale transaction of the INET-IDC3 Phase 1 project at Kaeng Khoi District, Saraburi Province, including leasing the assets sold to the INETREIT to resume business during the period 24 years 4 months 29 days, contract expires on December 31, 2045.

Summary of operating results for the 3rd quarter of 2021

Detail	Q 3/2021	Q 2/2021	Q 3/2020	YoY	%YoY	QoQ	%QoQ
Revenue	531,656	395,022	448,438	83,218	18.56%	136,634	34.59%
Cost of Goods Sold	(304,683)	(269,436)	(447,710)	143,027	-31.95%	(35,247)	13.08%
Gross Profit	226,973	125,586	121,691	105,282	86.52%	101,387	80.73%
Other Revenue	1,291	26,803	7,576	(6,285)	-82.96%	(25,512)	-95.18%
SG&A	(58,134)	(91,756)	(22,518)	(35,616)	158.17%	33,622	-36.64%
Share profit(loss) associates and investment in joint venture	24,023	4,834	33,977	(9,954)	0.00%	19,189	0.00%
Interest	(113,973)	(44,706)	(45,691)	(68,282)	149.44%	(69,267)	154.94%
EBI	144,532	20,761	75,894	68,638	90.44%	123,771	596.17%
Tax	47,467	(10,468)	(12,415)	59,882	-482.34%	57,935	-553.45%
Net Profit	191,999	10,293	51,825	140,174	270.48%	181,706	1765.34%

The company and the subsidiaries' total revenue at the end of the period September 30, 2021 amounted to 531.65 million baht, an increase of 18.58% compared to the previous year because customers who are interested in technology to adapt to the organization or use technology to help enhance their business competitiveness during the COVID-19 epidemic situation in the 3rd quarter of 2020, and the company can better manage cost of sales from internal cost management. Selling and administrative expenses increased by 64.80% compared to the previous year. and decreased by 7.96% compared to Q2/21. From the provision of credit loss provisions to be consistent with the current situation and restructuring staff costs As a result, the company has increased net profit compared to the 3rd quarter of 2020.

Revenue and Growth Ratio classified by business type



Income classified by business type

Overall revenue by business type Revenue grew 18.56% compared to the previous year and grew 34.59% compared to the previous quarter.

Cloud Services The company's revenue from Cloud Services amounted to 405.92 million baht, an increase of 37.74% from the previous year, as a result of customers having to adapt more technology to adapt to their business operations. as well as growing from the business expansion of the subsidiary and associated companies resulting in more use of the company's Cloud Services.

Co –Location The company had revenue from Co-Location services of 61.13 million baht, an increase of 84.96% from the previous year, which was a growth in line with revenue from Co-Location services at INET-IDC3 Phase 1, Saraburi Province.

Internet Access The company's income from Internet Access service amounted to 24.13 million baht, a decrease of 16.10% from the previous year due to the company's policy to reduce the cost of Internet Access services that must be purchased from other vendors and be a highly competitive business. The company focuses on providing Internet Access service that is the connection of the company's main service only.

Cost of Service and Cost of Goods Sold

The company and the subsidiaries had cost of service and cost of sales of 304.68 million baht, a decrease of 22.14 million baht from the previous year, or a decrease of 6.78%. This is due to the company's increased revenue from Cloud Services, enabling the company to manage service costs more efficiently as well as reducing the cost of Internet Access services, which is in accordance with the company's sales policy.

Financial Cost

The company had financial cost of 113.97 million baht, an increase of 149.44% compared to the previous year. Although after entering into the transaction with the INETREIT, the company has paid the short-term loan, long term loan and pay the debt under the lease to relieve the obligation causing some of the interest portion to be greatly reduced but the company has entered into a lease agreement of assets for operation with the INETREIT. Such rental is in accordance with Thai Financial Reporting Standard No. 16 (TFRS16), which requires the company to recognize such rental as a financial cost.

Net Profit

The company had a net profit of 102.26 million baht, an increase of 97.34% compared to the previous year. Since the INETREIT establishment transaction results in accounting results, there is a difference between the book value and the tax base of the liability, resulting in a positive defer tax and there is a reversal of income tax expenses as income tax income. from the transaction of closing the financial lease in advance.

Statement of financial position

Detail	30 September 2021	31 December 2020	% Increase(Decrease)
Asset			
Current Asset	1,314,366	1,108,346	18.59%
Non-current Asset	8,147,426	6,175,370	31.93%
Total Asset	9,461,792	7,283,716	29.90%
Liabilities and Shareholders' Equity			
Current Liabilities	2,756,402	3,127,146	-11.86%
Non-current Liabilities	4,587,732	2,166,102	111.80%
Total Liabilities	7,344,134	5,293,248	38.75%
Shareholders' Equity	2,117,658	1,990,468	6.39%
Total liabilities and shareholders' equity	9,461,792	7,283,716	29.90%

Total Assets

The company has total assets as of September 30, 2021, equal to 9,461.79 million baht, compared to December 31, 2020, an increase of 2,178.07 million baht or 29.90%, with the main factor being 25% investment in REITs, worth 825 million baht and with parts of the land building and equipment increased from the acquisition of investment assets of the business and project development on Platform.

Total Liabilities

The company has total liabilities as of September 30, 2021, equal to 7,344.13 million baht, compared to December 31, 2020, an increase of 2,050.88 million baht or 38.75% as a result of the sale of assets to the INETREIT. As a result, the financial liabilities increased in the value of 3,726 million baht, which had to be recognized as a liability. which is in accordance with Thai Financial Reporting Standards No. 16 (TFRS16). However, the company

has paid for short-term loans, long term loan and pay the debt under the lease to relieve the obligation causing some of the liabilities to be reduced.

Shareholders' Equity

The company has shareholders' equity as of September 30, 2021 equal to 2,117.65 million baht, an increase from December 31, 2020 of 127.19 million baht, due to an increase in retained earnings from profits for the year 2020 and profit for the 1st quarter and the 2nd quarter of 2021.