ICT PUBLIC COMPANY LIMITED

No. SKY-63-11-006

13 November 2020

Subject Management Discussion and Analysis for the quarter ended 30 September 2020

To The Director and the Manager of the Stock Exchange of Thailand

Enclosed A copy of the financial statement that ended on 30 September 2020 (1 set)

Sky ICT Public Company Limited ("the Company") would like to submit the financial statement for the nine-month period ended on 30 September 2020, which has been reviewed by the Auditor as well as the explanation and analysis from the Management in order to provide the information of interest to the investors and the public. The operational performance of the Company for the nine-month period ended on 30 September 2020, in comparison to 2019, is as follows:

Executive Summary

There are significant transactions of the Company in Q3 2020 as follows:

1. **Increase the Company's registered capital**

According to the Extraordinary General Meeting of Shareholders No. 1/2020 of Sky ICT Public Company Limited (the "Company"), held on 22 September 2020 shareholders has approved

- The increasing in the Company's registered capital increase by THB 9,294,689 from the current registered capital of THB 278,840,658 to be THB 288,135,347 by issuing 18,589,378 newly issued ordinary shares at the par value of THB 0.50 per share to reserve for the stock dividend payment to Company's shareholders.
- Approved the increase the Company's registered capital in amount of THB 20,000,000 from the registered capital of THB 288,135,347 to be THB 308,135,347 by issuing 40,000,000 newly issued ordinary shares at the par value of THB 0.50 per share to reserve for the issuance and offering to the private placement investor (Mr. Vorapote Amnueypol).

2. **Investment**

Referring to the Board Meeting No. 11/2020 that held on 14 July 2020, the board of directors grant an approval of the investment in SAL GROUP (THAILAND) COMPANY LIMITED ("SAL") in the proportion of 46.80 percent of the total registered and paid-up capital of SAL.

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On 29 September 2020, the Company entered to agreement to purchase shares in SAL from shareholder who is listed company in Thailand, totalling 913,027 shares. (Comprising 873,027 ordinary shares and 40,000 preferred shares) amount of Baht 157.72 million in the proportion of 33.20% of registered capital.

On 21 October 2020, the Company entered to agreement to purchase shares in SAL from shareholder who is a limited company, totalling 374,000 shares (Comprising 334,000 ordinary shares and 40,000 preferred shares) amount of Baht 54.40 million. Therefore the company will have total the proportion of 46.80% of SAL's registered capital.

On 16 October 2020, in the Extraordinary General Meeting of Shareholders of SAL No. 1/2020, the shareholders has approved an increasing of the SAL's registered capital by Baht 330.0 million from Baht 275.0 million to be total registered capital Baht 605 million to invest in share increment of AOT Ground Aviation Services Co., Ltd. ("AOTGA") which SAL holds 51% of the total share capital. The Company have been allocated SAL share increment in proportion of 46.80%, totaling 1,544,432 shares in amount of Baht 154.44 million (Par Value 100 per share).

3. **Dividend Paid**

On 22 September 2020, the Extraordinary General Meeting of Shareholders no. 1/2020 has passed the resolutions approving the Company to pay the interim dividend from the operating results of the three-month period ended 31 March 2020, to shareholders as record date on 19 August 2020. The Company distribute the stock dividend and cash dividend on 9 October 2020 which detail is as follows:

a. The dividend distribution made by an issuance of the newly issued shares of not exceed 18,589,378 with the par value of THB 0.50 per share to the shareholders at ratio of 1 new share per 30 existing shares which equivalent to THB 0.01666666667 per share, totaling approximately THB 9,294,688.60. In the case of a fraction of shares which cannot be allocated into new shares, the dividend will be paid in cash at the rate of THB 0.01666666667 per share
b. The dividend distribution made in cash at the rate of THB 0.001851851932 per share totalling amount of THB 1,032,743.22.

4. **Impact from COVID-19 Situation**

Due to the COVID-19 situation since the beginning of the year 2020, the Company had a problem in some projects, which the staffs cannot enter the site due to the lock down and quarantine instruction which caused a delay delivery in some projects. However, the Company also had a Business Continuity Plan for the COVID-

19 situation by using social distancing concept such as limitation of working area and also adjust staffs' working time, communication via online technology.

Company quarterly performance ended 30 September 2020 and 2019

For the performance in third quarter of 2020, the Company has partially delivered and recognized the revenue from major project as follows:

(1) The procure and installation of system and equipment to private customers from the projects:

- The Project of procurement and installation of expansion equipment for IP Access Network (MPLS Router) for Provincial Electricity Authority (PEA) Phase IV.
- The Project of procurement and installation of power backup machine (UPS) at Suvarnabhumi Airport.

(2) The completion, delivery and maintenance of projects:

- The Project of procurement and installation of Government Data Center and Cloud Service: GDCC for CAT.
- The Project of broadband internet service provider in rural area for the National Broadcasting and Telecommunications Commission (NBTC) in:
  - (Zone C) Group 3 North Eastern 1
  - (Zone C) Group 5 North Eastern 3
  - (Zone C) Group 6 Central 1
- The Project of the procurement and installation of CCTV for Immigration.
- The Phase 2 of the procurement and installation of the Digital Trunk Radio System for the Royal Thai Police (Maintenance Phase).
- the project of improvement the efficiency of the Wireless Network system and Training management system of Excise Department

The Company recognized the 3 months revenue for Q3 2020 amounting to 986.9 million baht, decreased by 961.2 million baht or 49.3% comparing to the last year (in 2019: 1,948.1 million baht). In turn, the Company's net profit in terms of the parent company is 23.2 million baht, decreasing from the same period of the previous year 147.6 million baht or 86.4% (in 2019, the net profit of the parent company was 170.9 million baht).

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Performances of the Third Quarter, Ended on 30 September 2020 and 2019

1. Total Revenues

Revenue	Amount (million baht)		Increase (Decrease)		Amount (million baht)	
	Q3 2020 (3 months)	Q3 2020 (3 months)	million baht	%	Q3 2020 (9 months)	Q3 2020 (9 months)
Revenue from system integration service	743.8	1,902.5	(1,158.7)	(60.9%)	1,585.9	3,252.4
Revenue from sales	52.1	18.7	33.3	177.9%	445.1	105.1
Revenue from services	191.0	26.9	164.1	611.0%	435.2	95.0
Total Revenues	986.9	1,948.1	(961.2)	(49.3%)	2,466.1	3,452.4

The Company's total revenue in Q3 2020 is 986.9 million baht a 961.2 million baht or 49.3% decrease (2019: 1,948.1 million baht). This is due to the Company had completely delivered big project and recognized revenue in Q3 2019. However, the Company has partially delivered and recognized revenue from big project in this year.

The changes of revenue could be divided into different types of revenue as follows:

1.1 **Revenue from integrated sale and system installation**, amounting to 743.8 million baht, 75.4% of total revenue, which decreased from same period in previous year 1,158.7 million baht, or 60.9% due to:

- The decreasing in revenue from the Phase 2 of the procurement and installation of the Digital Trunk Radio System for the Royal Thai Police. The company recognized main product delivery and installation revenue since Q3 2019 and completely recognized the final Sale and system installation revenue in early of April 2020. Thus the Company has only revenue in maintenance phase which is grouping in other revenue stream (Service) in this year.
- Due to the situation of COVID-19 that impact the Project of broadband internet service provider in rural area for the National Broadcasting and Telecommunications Commission (NBTC), especially, the progress of construction of public internet centre (USO Net) and the progress of renovation of public internet centre (USO Wrap) as the most of public internet centre are located in rural area and there are difficulties for subcontract to travel to the sites. So, this was impact to progress of the Project in this quarter.
- The revenue from new projects in 2020 such as the Project of procurement and installation of Government Data Center and Cloud Service: GDCC for CAT and the Project of procurement

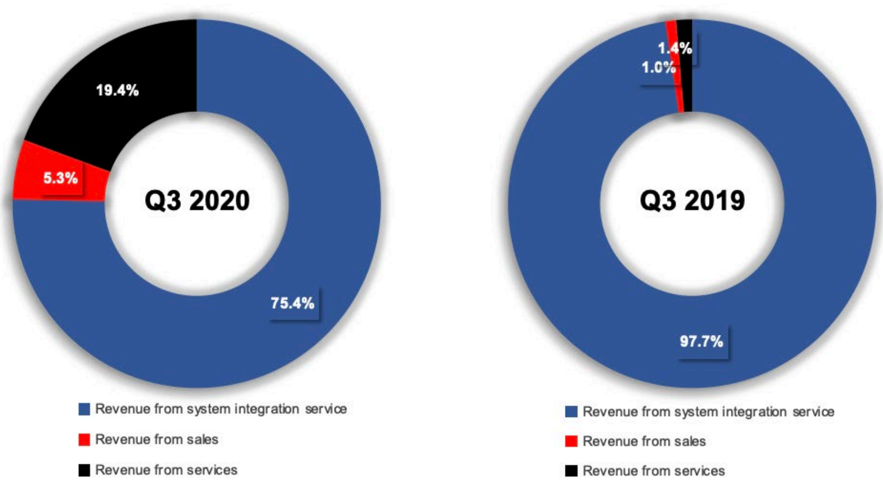
and installation of CCTV of Immigration, which the Company has partially delivered equipment & installation and already recognized revenue in Q3 2020.

1.2 Revenue from Sales, amounting to 52.1 million baht, 5.3% of total revenue, increased 33.3 million baht or 177.9% from last year. This is the result from the Company and Subsidiaries start expanding to private sector. So, the revenue in 3rdquarter 2020 are mainly come from the products sold to customer in private sector such as the equipment for Controlled Access Security System (CASS), Close Circuit Television (CCTV), Power Backup Machine (UPS) and the IP Access Network equipment.

1.3 Revenue from providing service, amounting to 191.0 million baht, , 19.4% of total revenue, increasing 164.1 million baht from last year,

- The service revenue in the project of broadband internet service provider in rural area for the National Broadcasting and Telecommunications Commission (NBTC) in 2nd phase (maintenance phase) which has service period for 5 years.
- The service in revenue the Phase 2 of the procurement and installation of the Digital Trunk Radio System for the Royal Thai Police which has service period for 1 year.
- The service revenue in the project of the luggage trolley service at Suvarnabhumi Airport, which has service period for 7 years.
- The service revenue in the project of maintenance of CCTV at 6 airports of AOT which has service period for 3 years.
- The service revenue in the project of maintenance of CCTV for Custom Department, which has service period for 5 years.
- The service from renting the mail mix sorter to Thai Post Co., ltd., which has service period for 10 years.

Proportion of revenue from business operations in Q3 2020 and 2019



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2. Total Costs

Cost and Gross Profit	Amount (million baht)		Increase (Decrease)		Amount (million baht)	
	Q3 2020 (3 months)	Q3 2020 (3 months)	million baht	%	Q3 2020 (9 months)	Q3 2020 (9 months)
Cost of system integration service	652.7	1,679.3	(1,026.6)	(61.1%)	1,345.5	2,917.8
Cost of sales	36.6	13.9	22.7	162.4%	351.7	89.9
Cost of services	158.5	21.4	137.1	639.7%	357.8	65.0
Total Cost	847.8	1,714.7	(866.9)	(50.6%)	2,055.0	3,072.8
Total Gross Profit	139.1	233.5	(94.4)	(40.4%)	411.1	379.7
Gross Profit ratio (%)	14.1%	12.0%			16.7%	11.0%

The total cost in the 3rd quarter of 2020 was amounting to 847.8 million baht, decrease from the total cost of the previous year 866.9 million baht or 50.6%. This was mainly due to the System Integration service projects that have decreased in proportion from the revenue that recognized in this quarter. However, in term of Gross Profit, in 3rd quarter of 2020, the total gross profit increase 2.1% compare to last year which is the result of the gross profit from sales of equipment and maintenance service from projects that mentioned above.

3. Expenses

Expense	Amount (million baht)		Increase (Decrease)		Amount (million baht)	
	Q3 2020 (3 months)	Q3 2020 (3 months)	million baht	%	Q3 2020 (9 months)	Q3 2020 (9 months)
Selling expenses	12.6	26.3	(13.7)	(52.1%)	69.4	61.4
Administrative expenses	92.6	45.8	46.8	102.3%	218.8	132.6
Finance costs	18.5	18.9	(0.4)	(2.2%)	58.6	39.4
Total expenses	123.7	91.0	32.7	36.0%	346.8	233.4
% to Revenue	12.5%	4.7%			14.1%	6.8%

The overall expenses of the Company for 3rd quarter of 2020 has increased from the previous year by 32.7 million baht or 36.0%, as a result of:

(1) The compensation expenses which increased from the merger staffs of Raytel Co., Ltd., which the Company has acquired since August 2019. The Company and subsidiaries recruited the addition

management team, engineers and also project teams to support the expansion of digital platform business.

(2) The Depreciation which is due to the Company has invested in Call Center Room and Network Operation Command Center to support the expansion of maintenance service business in the future.

(3) The Amortization of the Software and right of use of network equipment that the Company has invested in the Equipment of Network and wireless high-speed internet (Wi-Fi) including Platform for Free Wi-Fi projects which the Company got concession from Airport of Thailand PCL. (AOT) to provide Free Wi-Fi and Network rental at international airports.

(4) Expenses related to the acquiring of new projects in Q3 2020.

The financial costs of the Company 3rd quarter of 2020 was 18.5 million baht, an decrease of 0.4 million baht or 2.2% from the same period of previous year, which was mainly due to a decreasing in total interest bearing debt of the Company in this year.

4. Share of profit from associated company

In 3rd quarter of 2020, the Company recognized the sharing profit from associated company amounting to 13.5 million baht decrease by 42.7 million baht compare to last year. The profits sharing consist of:

(1) Profit Sharing from Turnkey Communication Service Company Limited ("TKC") amounting to 14.3 million baht. The majority of TKC profit is due to TKC recognizing the revenue and profit from delivering services to government and many private customers.

(2) Loss sharing from Astro Solutions Company Limited ("Astro") amounting to 0.6 million baht. As they just started to recognize the revenue from the developing software (application) for AOT Digital Platform 4.0. Thus, they still had loss from employee cost in 2020.

(3) Loss sharing from SAL Group (Thailand) limited amounting to 0.2 million baht since the Company has investing in September 2020.

5. Net profit (Loss)

Due to the reasons stated above, in the 3rd quarter of 2020, the Company has a net profit of the owners of the parent 23.2 million baht, a decreasing of 147.6 million baht, which in comparison to the previous year, decrease by 86.3%. For 9 months, the Company has net profit amounting to 68.3 million baht decrease by 183.6 million baht. This is a result of the increasing of expense and the decreasing of sharing profit in this quarter.

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Profit (Loss)	Amount (million baht)		Increase (Decrease)		Amount (million baht)	
	Q3 2020 (3 Months)	Q3 2019 (3 Months)	Million Baht	%	Q3 2020 (9 Months)	Q3 2019 (9 Months)
Owner of the Parent	23.2	170.9	(147.6)	(86.4%)	68.3	251.9
Non-Controlling Interest	(2.3)	1.6	(3.9)	(248.2%)	7.3	1.0
Total Net Profit (Loss)	20.9	172.4	(151.6)	(87.9%)	75.7	253.0
% to Revenue	2.1%	8.9%			3.1%	7.3%

Please be informed accordingly.

Sincerely yours,

(MR. SITHIDEJ MAYALARP)

Director

Corporate Secretary

Telephone 02 029 7888 Ext. 812

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