

(Translation)

Ref.: TRUE-SEC 021/2564

16th August 2021

The President of the Stock Exchange of Thailand
The Stock Exchange of Thailand

Subject: Submission of the Interim Financial Information for Q2/2021

- Enclosure:
1. A Set of the Reviewed Interim Financial Information for Q2/2021
(Thai / English)
 2. A Set of the Management's Discussion and Analysis for Q2/2021
(Thai / English)

True Corporation Public Company Limited (the "Company") would like to submit a reviewed interim consolidated and separate financial information for the second quarter ending 30th June 2021 to the Stock Exchange of Thailand.

The Company reported a consolidated net loss to equity holders of the Company of Baht 298.53 million for the second quarter of the Year 2021, representing a change of greater than 20 percent compared with the net results of the same period in the last year. Please see further details in the Management's Discussion and Analysis for Q2/2021 as attached herewith.

Please be informed accordingly.

Respectfully yours,

- Signature -

Ms. Yupa Leewongcharoen
Group Chief Financial Officer

Management's Discussion and Analysis

Overview

True Group reported improving performance in the second quarter of 2021 despite an impact from the new wave of COVID-19 pandemic pressuring the overall economy and various sectors with less activities across the country. True Group maintained service revenue at Baht 26.6 billion as it continued to enhance quality subscriber growth for mobile with accelerating 5G users, broadband and digital businesses. At the same time, cost and productivity measures gained traction further resulting in ongoing reduction of operating expenses, excluding depreciation and amortization, by 10.6% QoQ and 8.2% YoY. These drove EBITDA up 4.5% QoQ, 12.5% YoY to Baht 14.7 billion with margin on service revenue increasing to 55.1% and operating profit before interest and tax (EBIT) up 10.1% QoQ, 35.4% YoY to Baht 3.6 billion in 2Q21.

True Group will continue to place importance on digital transformation and end-to-end experiences for customers in all segments leveraging its complete and expansive ecosystem, digital content and media as well as technological advancements. Its AI and analytics capability, strengthened by True Digital Group and EGG Digital, an established digital marketing solutions provider, will be utilized to provide personalized offerings and privileges that match the needs of consumers and businesses as well as for proactive maintenance and customer's engagement. At the same time, digital services and sales as well as materialized synergy with strategic and business partners will be keys to efficiently reach customers and meet their needs while rapidly adapting the Group well to competitive dynamics in each area. Cost restructuring programs will be one of the top priorities to drive higher productivity, profitability and return on investments.

TrueMove H added 488.7k net subscribers in the second quarter and drove its service revenue up 1.2% QoQ to Baht 20.2 billion while the overall industry experienced flat to decline revenue trend. Postpaid market remained healthy while prepaid market was intense with fixed-speed unlimited data packages at a lower price point for low-tier packages but the pricing level is similar to the same period of last year. Segmented and affordable propositions were also offered to mitigate impact from the COVID-19 pandemic on consumers' spending. TrueMove H's high-quality postpaid base maintained solid upward trend gaining 352.3k net adds driven by 43% QoQ growth of its 5G users to 1 million at the end of Q2. This solid growth was a result of TrueMove H's continued efforts to enhance customers' experiences through its superior 5G network with the most coverage across the country. The upcoming and affordable 5G devices bundled with a wide range of content and entertainments is expected to drive 5G growth and adoption in coming quarters. At the same time, True Group aims to capture growth in the rise of gaming industry and collaborated with Bitfrost Cloud, a world-class cloud technology provider from China, in launching "True 5G Cloud Gaming by Netboom" transforming hi-spectrum PC or console gaming into smartphone for playing everywhere at any time. The Group's 5G ecosystem and partnership with enterprise sector also expanded aiming to boost 5G potentials and usage in the country. Recent collaborations include smart factory solutions via 5G private network technology with Mitsubishi Electric and Lertvilai as well as MOU with KT Corporation, the leading telecommunication provider from South Korea in co-developing digital innovations to serve B2B and B2G customers. TrueMove H ended the second quarter with total subscriber base of 31.7 million, of which 21.2 million were prepaid and 10.5 million were postpaid.

TrueOnline added 105k net subscribers and expanded its broadband subscriber base to 4.4 million driving its broadband revenue up 1.8% QoQ and 9.6% YoY to Baht 7.3 billion in 2Q21. This solid growth was driven by its ongoing efforts on utilizing advanced technologies as well as in-depth analytics for proactive maintenance and value-driven benefits. The market value of broadband internet continued to grow as broadband demand kept rising while the overall industry still experienced ARPU decline along with certain discounts and bundling propositions to encourage customers to use various products aiming for higher revenue per account. In order to continue to deliver the best experience to customers, TrueOnline has provided innovative devices particularly the recent launch of True Gigatex Fiber PRO with WiFi6 router and new WiFi Chipset delivering greater data transfer speed and the best signal strength via Band Steering technology. At the same time, the Group's competitive strengths with bundled offerings across multiple products including mobile, broadband and entertainments from TrueID and TrueVisions respond well to consumers' rising needs toward working, learning and entertainment anytime, anywhere.

TrueVisions' service revenue was Baht 2.4 billion in 2Q21 with key revenue stream from subscription contributing 61.5% of its service revenue, a slight increase from 60.8% in the previous quarter. The business has been affected by the COVID-19 outbreak along with its clients in the hotel sector, consumers' being more prudent on spending and lower arrangement of entertainment events. TrueVisions aims to capture growth potential in the OTT market and better monetize its comprehensive range of international and local contents, strengthened by its position as the King of Sports with all-year around sports content, through "TrueVisions NOW" content streaming services. This move is expected to generate additional revenue stream and to expand its total customer base beyond 3.7 million at the end of Q2 while enhancing stickiness of its customers by allowing them to seamlessly watch content 24/7 via True Group's multiple platforms.

True Digital Group continued to expand ecosystem and maintained solid growth momentum. TrueID, its digital media platform, grew revenue by 77% YoY and 15% QoQ in the second quarter of 2021. The platform grew its monthly active users to more than 25 million users and reached the new high on average monthly video views of 265 million per month. With the focus on strengthening contents in TrueID platforms, its entertainment content sales increased 17% YoY while sport content, including exclusive English Premier League content, was 3.3 times higher than Q2 of last year. TrueID also expanded its entertainment product portfolio with an official launch of TrueID+, a paid online streaming subscription service of on-demand entertainment content on its omnichannel platforms including TrueID application, website, and TV box. At the same time, TrueID TV boxes achieved higher scale with 2.5 million boxes shipped to customers' premises. In the enterprise segment, True Digital Solutions' revenue increased 15% YoY and 29% QoQ in 2Q21 along with expanding IoT endpoint and devices connectivity. Additionally, True Digital Solutions continued to innovate, develop and launch new innovative services and solutions for enterprises. True Drone was officially launched to improve efficiency and lower costs of crop spraying for farmers. True Smart Energy Management system enables properties to manage energy consumption and reduce energy costs. True Smart Living Solutions enhance residents' living experience with the IoT automation system particularly smart security and monitoring management.

True Group aims to capture growth potentials of the data and media as well as logistics businesses with an investment in EGG Digital Company Limited and ALL NOW Management Company Limited targeting to be completed by the fourth quarter of this year. These will create more synergy with the Group's strategic partner throughout the whole supply chain, increasing opportunity to cross- and up-sell True Group's various products on a larger markets

and customer segments, enhancing AI and analytics capability with customer-centric offerings for both True Group and external clients, cost savings from economy of scale as well as value upside from the mega trend of these two New S-Curve businesses.

2Q21 Financial Summary

True Group reported a consolidated net loss to shareholders of the parent company of Baht 298.5 million in 2Q21, representing a change of greater than 20% YoY, which is summarized as below:

True Group's consolidated service revenue was Baht 26,648 million, stabilized along with higher subscriber base of mobile, broadband and digital arms while impact from the COVID-19 pandemic continued to pressure consumers' spending particularly in the pay TV and prepaid segments. Cost optimization remained key focus and contributed to 8.2% YoY decline of operating expenses excluding depreciation and amortization. These drove EBITDA and operating profit up 12.5% and 35.4% YoY to Baht 14,687 million and Baht 3,620 million respectively.

Net loss to shareholders of the parent company was Baht 298.5 million with effect from foreign exchange loss of 205 million in 2Q21, improving QoQ but declining YoY due to one-time gain from selling DIF units in 2Q20; excluding this, bottom line improved 52% from the same period last year.

Consolidated Results of Operations - Normalized Basis

| (Baht in millions unless otherwise indicated) | 2Q21 | 1Q21 | 2Q20 | % Change | | 1H21 | 1H20 | % Change |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | Y-o-Y | Q-o-Q | | | |
| Revenues from providing services | 30,170 | 30,376 | 30,135 | 0.1 | (0.7) | 60,545 | 60,196 | 0.6 |
| Interconnection revenue | 381 | 366 | 389 | (2.0) | 4.2 | 746 | 777 | (4.0) |
| Network rental revenue | 3,141 | 3,142 | 3,134 | 0.2 | (0.0) | 6,283 | 6,225 | 0.9 |
| Service revenue | 26,648 | 26,868 | 26,612 | 0.1 | (0.8) | 53,516 | 53,193 | 0.6 |
| Revenues from product sales | 3,627 | 5,050 | 3,743 | (3.1) | (28.2) | 8,677 | 8,526 | 1.8 |
| Total revenues | 33,797 | 35,425 | 33,878 | (0.2) | (4.6) | 69,223 | 68,722 | 0.7 |
| Total cost of providing services | 19,851 | 20,134 | 19,976 | (0.6) | (1.4) | 39,985 | 40,231 | (0.6) |
| Regulatory costs | 250 | 541 | 716 | (65.1) | (53.8) | 791 | 1,385 | (42.9) |
| Interconnection cost | 440 | 424 | 545 | (19.3) | 3.8 | 864 | 1,079 | (20.0) |
| Cost of providing services exclude IC | 9,621 | 10,094 | 10,070 | (4.5) | (4.7) | 19,715 | 20,943 | (5.9) |
| Depreciation and amortization | 9,540 | 9,076 | 8,645 | 10.4 | 5.1 | 18,616 | 16,824 | 10.7 |
| Cost of sales | 3,805 | 5,316 | 4,315 | (11.8) | (28.4) | 9,122 | 9,657 | (5.5) |
| Selling and administrative expenses | 6,520 | 6,686 | 6,912 | (5.7) | (2.5) | 13,207 | 13,834 | (4.5) |
| Depreciation and amortization | 1,526 | 1,689 | 1,741 | (12.3) | (9.6) | 3,215 | 3,455 | (6.9) |
| Others | 4,994 | 4,998 | 5,172 | (3.4) | (0.1) | 9,992 | 10,379 | (3.7) |
| Total operating expenses excl. depreciation and amortization | 19,111 | 21,372 | 20,818 | (8.2) | (10.6) | 40,483 | 43,443 | (6.8) |
| EBITDA | 14,687 | 14,053 | 13,060 | 12.5 | 4.5 | 28,740 | 25,279 | 13.7 |
| Depreciation and amortization | (11,066) | (10,765) | (10,385) | 6.6 | 2.8 | (21,831) | (20,279) | 7.7 |
| Operating profit | 3,620 | 3,288 | 2,674 | 35.4 | 10.1 | 6,909 | 5,000 | 38.2 |
| Interest expense (net) | (2,499) | (2,311) | (2,191) | 14.0 | 8.1 | (4,810) | (4,251) | 13.1 |
| Interest income | 42 | 43 | 34 | 21.8 | (2.6) | 85 | 178 | (52.3) |
| Interest expense | (2,541) | (2,354) | (2,226) | 14.2 | 7.9 | (4,895) | (4,429) | 10.5 |
| Interest expense related to lease liabilities | (1,525) | (1,555) | (1,621) | (5.9) | (1.9) | (3,081) | (3,257) | (5.4) |
| Other financial fees | (258) | (229) | (250) | 3.1 | 12.9 | (487) | (347) | 40.3 |
| Financial cost related to license | (534) | (639) | (502) | 6.4 | (16.4) | (1,173) | (943) | 24.4 |
| Income tax (expense) revenue | (19) | (45) | (12) | 55.1 | (57.6) | (64) | 13 | NM |
| Share of results in subsidiaries and associates | 873 | 874 | 1,016 | (14.1) | (0.1) | 1,747 | 2,033 | (14.0) |
| Foreign exchange gain (loss) | (205) | (137) | 276 | NM | (49.2) | (342) | 633 | NM |
| Other (expense) income | 195 | 166 | 1,833 | (89.3) | 17.9 | 361 | 2,143 | (83.2) |
| Non-controlling interests | 53 | 6 | 40 | 32.4 | NM | 59 | 77 | (23.0) |
| Net profit (loss) to equity holders of the Company | (299) | (581) | 1,262 | NM | (48.7) | (880) | 1,101 | NM |
| Net profit (loss) to equity holders of the Company excl. gain from selling DIF units | (299) | (581) | (624) | (52.1) | (48.7) | (880) | (785) | (12.1) |

Remark: 2Q21 non-recurring items partly comprised foreign exchange loss totaling Baht 205 million.

2Q21 CONSOLIDATED RESULTS OF OPERATIONS

- True Group's **consolidated service revenue** was Baht 26.6 billion, flat QoQ and YoY despite a widespread impact from the new wave of COVID-19 on economy with contraction of activities and consumers' spending. Higher subscriber base drove revenues for mobile, broadband and digital businesses while TrueVisions saw revenue decline along with the pandemic effect. **Total revenue** reached Baht 33.8 billion in 2Q21.

- **TrueMove H's service revenue** increased 1.2% QoQ, flat YoY to Baht 20.2 billion while the overall industry reported flat to decline service revenue trend (-0.3% QoQ, -1.8% YoY excluding TrueMove H). **Core mobile revenue** (combined voice and non-voice revenue) was 19.1 billion, flat (+0.6% QoQ, -0.6% YoY) as postpaid growth offset prepaid decline, while **revenues from international roaming and other services** reached Baht 1.1 billion.

TrueMove H gained 488.7k net adds in 2Q21 and expanded its total subscriber base to 31.7 million, of which 21.2 million were prepaid and 10.5 million were postpaid. 5G users on TrueMove H's network are on the rise, increasing approximately 43% QoQ to 1 million by the end of 2Q21. TrueMove H's 5G network readiness, the Group's key content magnet as well as more affordable 5G handsets and IoT devices are expected to drive 5G growth momentum further.

- **TrueOnline's service revenue** was Baht 9.6 billion with key revenue from **Broadband, Internet and Business Data Service** which grew 1.8% QoQ and 9.6% YoY to Baht 7.3 billion following rising broadband demands for working and learning at home. The business continued to record above-industry subscriber growth (+105k in Q2) increasing its broadband subscriber base to 4.4 million.
- **TrueVisions' service revenue** was Baht 2.4 billion, decreasing on lengthy impact from the COVID-19 pandemic, consumers' becoming prudent on their spending as well as behavioral shift toward OTT. These softened **subscription and installation revenue** to Baht 1.5 billion, representing 61.5% of TrueVisions' service revenue. **Other service revenues** (comprising entertainment, sponsorship, advertising and other revenues) were Baht 918 million, declining QoQ on sports seasonality. TrueVisions ended the second quarter with total customer base of 3.7 million.

With consumers' increasing trend toward digital media platform, entertainment content transactions at TrueID continued to grow at 7% QoQ and 17% YoY in the second quarter of 2021. To capture higher growth in the OTT market and better respond to customers' preference and lifestyles, the Combo pack, combining strengths of TrueID+ for a comprehensive range of on-demand entertainment and TrueVisions NOW on high-quality streaming content for all family members, was officially launched in July. Content remains the Group's key competitive edge to drive growth and enhance customers' engagements.

- **Product sales** were Baht 3.6 billion, decreasing QoQ on seasonality and YoY along with the Group's targeted campaigns aiming for quality subscriptions which resulted in consecutive decline of net product loss (-33% QoQ, -69% YoY) in the second quarter.
- **Net IC expense** was Baht 59 million, flat QoQ while decreasing 62.3% YoY on positive momentum from price optimization efforts.
- **Core operating expense** (comprising cost of providing services excluding IC and other

S&A) decreased 3.2% QoQ, 4.1% YoY to Baht 14.6 billion, underpinned by the Group's ongoing measures to optimize costs in all categories including network roaming and consolidation, sales and digitalization, content as well as personnel related.

- **EBITDA** maintained the course of double-digit growth at 12.5% YoY, and rose 4.5% QoQ to Baht 14.7 billion as continued progress of cost efficiency programs lowered both core operating expenses and subsidy. EBITDA margin on service revenue improved to 55.1% compared to 52.3% in 1Q21 and 49.1% in 2Q20.
- **Depreciation and amortization expenses** were Baht 11.1 billion, increasing 2.8% QoQ and 6.6% YoY driven by network and service expansion along with 5G rollout in key areas of all 77 provinces particularly in the BMA and EEC with 98% and 95% population coverage, respectively. Amortization of the 700MHz and 26GHz spectrum licenses also contributed to the YoY increase.
- Strong EBITDA growth drove **operating profit** up 35.4% YoY and 10.1% QoQ to Baht 3.6 billion in 2Q21.
- **Interest expense** (net) increased 14% YoY to Baht 2.5 billion excluding the TFRS16 impact due to higher long-term borrowings to support business expansion.
- Core earnings improvement drove bottom line performance up 48.7% QoQ and 52.1% YoY, excluding the gain from selling DIF units in Q2 of last year. True Group reported net loss of Baht 298.5 million including the effect from higher unrealized foreign exchange loss to Baht 205 million in the second quarter of 2021.

Normalized Revenue Profile (Quarterly)

| (Baht in millions unless otherwise indicated) | Consolidated Revenues (Before Intersegment Eliminations) | | | | | | | |
|---|--|---------------------------------|---------------|---------------------------------|---------------|---------------------------------|--------------|--------------|
| | 2Q21 | | 1Q21 | | 2Q20 | | % Change | |
| | Revenue | % of revenue after eliminations | Revenue | % of revenue after eliminations | Revenue | % of revenue after eliminations | YoY | QoQ |
| TrueMove H | 27,349 | | 28,229 | | 27,708 | | (1.3) | (3.1) |
| Service revenue | 20,171 | | 19,937 | | 20,171 | | 0.0 | 1.2 |
| - Voice and Non-Voice | 19,053 | | 18,946 | | 19,171 | | (0.6) | 0.6 |
| - IR and others | 1,118 | | 991 | | 1,000 | | 11.8 | 12.8 |
| Interconnection revenue | 382 | | 366 | | 389 | | (1.7) | 4.6 |
| Network rental revenue | 3,023 | | 3,024 | | 3,024 | | (0.0) | (0.0) |
| Product sales | 3,772 | | 4,902 | | 4,125 | | (8.5) | (23.1) |
| Intersegment elimination | (1,494) | | (1,162) | | (1,668) | | (10.4) | 28.6 |
| TrueMove H after elimination | 25,855 | 76.5% | 27,067 | 76.4% | 26,040 | 76.9% | (0.7) | (4.5) |
| TrueOnline | 9,767 | | 9,726 | | 9,431 | | 3.6 | 0.4 |
| Service revenue | 9,587 | | 9,564 | | 9,239 | | 3.8 | 0.2 |
| - Broadband, Internet and Business Data Service | 7,317 | | 7,191 | | 6,676 | | 9.6 | 1.8 |
| - Others | 2,271 | | 2,373 | | 2,562 | | (11.4) | (4.3) |
| Network rental revenue (FOC) | 118 | | 118 | | 111 | | 6.5 | (0.0) |
| Product sales | 62 | | 45 | | 82 | | (23.5) | 38.8 |
| Intersegment elimination | (3,651) | | (3,315) | | (3,627) | | 0.7 | 10.1 |
| TrueOnline after elimination | 6,116 | 18.1% | 6,411 | 18.1% | 5,804 | 17.1% | 5.4 | (4.6) |
| TrueVisions | 2,381 | | 2,588 | | 2,642 | | (9.9) | (8.0) |
| Service revenue | 2,381 | | 2,588 | | 2,642 | | (9.9) | (8.0) |
| - Subscription and installation | 1,463 | | 1,573 | | 1,714 | | (14.6) | (7.0) |
| - Others | 918 | | 1,015 | | 928 | | (1.1) | (9.6) |
| Intersegment elimination | (555) | | (640) | | (608) | | (8.8) | (13.3) |
| TrueVisions after elimination | 1,826 | 5.4% | 1,947 | 5.5% | 2,034 | 6.0% | (10.2) | (6.2) |
| Consolidated service revenues | 26,648 | | 26,868 | | 26,612 | | 0.1 | (0.8) |
| Consolidated revenues | 39,497 | | 40,543 | | 39,781 | | (0.7) | (2.6) |
| Intersegment elimination | (5,700) | | (5,118) | | (5,904) | | (3.4) | 11.4 |
| Consolidated revenues - net | 33,797 | 100% | 35,425 | 100% | 33,878 | 100% | (0.2) | (4.6) |

Remark: TrueOnline's other revenues such as revenues related to network O&M and non-recurring contracted business.

Normalized Revenue Profile (YTD)

| (Baht in millions unless otherwise indicated) | Consolidated Revenues (Before Intersegment Eliminations) | | | | |
|---|--|---------------------------------|---------------|---------------------------------|--------------|
| | 1H21 | | 1H20 | | % Change |
| | Revenue | % of revenue after eliminations | Revenue | % of revenue after eliminations | YoY |
| TrueMove H | 55,578 | | 56,199 | | (1.1) |
| Service revenue | 40,108 | | 40,265 | | (0.4) |
| - Voice and Non-Voice | 38,000 | | 38,140 | | (0.4) |
| - IR and others | 2,109 | | 2,125 | | (0.8) |
| Interconnection revenue | 748 | | 778 | | (3.8) |
| Network rental revenue | 6,047 | | 6,006 | | 0.7 |
| Product sales | 8,674 | | 9,151 | | (5.2) |
| Intersegment elimination | (2,656) | | (3,134) | | (15.2) |
| TrueMove H after elimination | 52,922 | 76.5% | 53,065 | 77.2% | (0.3) |
| TrueOnline | 19,494 | | 18,673 | | 4.4 |
| Service revenue | 19,151 | | 18,340 | | 4.4 |
| - Broadband, Internet and Business Data Service | 14,507 | | 13,206 | | 9.9 |
| - Others | 4,643 | | 5,134 | | (9.6) |
| Network rental revenue (FOC) | 235 | | 220 | | 7.2 |
| Product sales | 107 | | 113 | | (5.0) |
| Intersegment elimination | (6,966) | | (7,179) | | (3.0) |
| TrueOnline after elimination | 12,527 | 18.1% | 11,494 | 16.7% | 9.0 |
| TrueVisions | 4,969 | | 5,256 | | (5.5) |
| Service revenue | 4,969 | | 5,255 | | (5.5) |
| - Subscription and installation | 3,036 | | 3,559 | | (14.7) |
| - Others | 1,933 | | 1,696 | | 13.9 |
| Product sales | 0 | | 1 | | (89.8) |
| Intersegment elimination | (1,196) | | (1,094) | | 9.3 |
| TrueVisions after elimination | 3,773 | 5.5% | 4,163 | 6.1% | (9.4) |
| Consolidated service revenues | 53,516 | | 53,193 | | 0.6 |
| Consolidated revenues | 80,041 | | 80,128 | | (0.1) |
| Intersegment elimination | (10,818) | | (11,406) | | (5.2) |
| Consolidated revenues - net | 69,223 | 100% | 68,722 | 100% | 0.7 |

Consolidated Balance Sheet and Cash Flows

| | 30 Jun 21 | 31 Dec 20 | % Change |
|--|----------------|----------------|--------------|
| (Baht in millions unless otherwise indicated) | | | |
| Balance Sheet | | | |
| Cash and cash equivalents | 25,613 | 24,330 | 5.3 |
| Trade accounts receivable, net | 42,806 | 42,274 | 1.3 |
| Other receivables | 3,998 | 2,644 | 51.2 |
| Other current assets | 36,681 | 35,157 | 4.3 |
| <i>Total current assets</i> | <i>109,097</i> | <i>104,406</i> | 4.5 |
| Property, plant and equipment, net | 239,876 | 231,894 | 3.4 |
| Goodwill, net | 10,027 | 9,994 | 0.3 |
| Intangible assets, net | 131,504 | 132,749 | (0.9) |
| Deferred income tax assets | 6,258 | 6,081 | 2.9 |
| Right-of-use assets | 99,241 | 103,336 | (4.0) |
| Other non-current assets | 30,774 | 29,089 | 5.8 |
| <i>Total non-current assets</i> | <i>517,680</i> | <i>513,142</i> | 0.9 |
| Total assets | 626,777 | 617,548 | 1.5 |
| Short-term borrowings | 2,498 | 3,500 | (28.6) |
| Trade accounts payable | 63,820 | 64,480 | (1.0) |
| Other payables | 26,915 | 25,796 | 4.3 |
| Current portion of long-term borrowings | 69,997 | 61,008 | 14.7 |
| Current portion of lease liabilities | 12,224 | 12,654 | (3.4) |
| Other current liabilities | 6,884 | 8,347 | (17.5) |
| <i>Total current liabilities</i> | <i>182,338</i> | <i>175,786</i> | 3.7 |
| Long-term borrowings | 179,571 | 158,491 | 13.3 |
| Deferred income tax liabilities | 5,878 | 6,251 | (6.0) |
| Liabilities under agreements and licenses for operations | 46,724 | 55,522 | (15.8) |
| Employee benefit obligations | 3,747 | 3,990 | (6.1) |
| Lease liabilities | 109,375 | 113,751 | (3.8) |
| Other non-current liabilities | 16,702 | 18,140 | (7.9) |
| <i>Total non-current liabilities</i> | <i>361,996</i> | <i>356,145</i> | 1.6 |
| Total liabilities | 544,334 | 531,931 | 2.3 |
| Total shareholder's equity | 82,443 | 85,617 | (3.7) |
| Total liabilities and shareholder's equity | 626,777 | 617,548 | 1.5 |

| | 30 Jun 21 | 30 Jun 20 | % Change |
|--|---------------|-----------------|------------|
| Cash Flows | | | |
| Cash flows from operating activities before interest and tax | 22,655 | 25,391 | (10.8) |
| Net interest and tax paid | (5,808) | (4,379) | 32.6 |
| Cash flows from operating activities (net) | 16,847 | 21,013 | (19.8) |
| Cash flows (used in) from investing activities | (32,502) | (41,346) | (21.4) |
| Cash flows (used in) from financing activities | 16,925 | (4,254) | (497.8) |
| Net (decrease) increase in cash and cash equivalents | 1,270 | (24,588) | NM |
| Beginning cash balance and effects of exchange rate changes | 24,342 | 49,425 | (50.7) |
| Ending cash balance | 25,613 | 24,837 | 3.1 |

FINANCIAL POSITION

True Group is in compliance with and meets all of its debt obligations. Its capital structure remained at a comfortable level with net interest-bearing debt to equity ratio of 2.7 times and net interest-bearing debt to EBITDA ratio of 4.0 times, flat QoQ and declining YoY as EBITDA continued solid growth. The Group's current ratio was relatively flat from prior quarter at 0.6 times.

True Group's gross profit margin increased to 30.0% in 2Q21 compared to 28.2% in 1Q21 and 28.3% in 2Q20 driven by positive momentum of cost and productivity programs. Its ROE and net profit margin were negative of 1.1% and 0.9%, respectively, pressured by unrealized foreign exchange loss as well as costs related to mobile spectrum acquisition.

Assets

- **True Group's assets** increased 1.5% from the end of 2020 to Baht 626.8 billion mainly driven by higher **property, plant and equipment (net)** which grew 3.4% to Baht 239.9 billion along with continued network expansion particularly at the mobile business.
- **Intangible assets (net)** decreased from Baht 132.7 billion at the end of 2020 to Baht 131.5 billion driven by the amortization of the mobile spectrum licenses during the period.
- **Goodwill (net)** was flat at approximately Baht 10 billion.
- **Trade account receivables (net)** increased 1.3% from the end of 2020 to Baht 42.8 billion along with business expansion while average collection period was 110 days (see more detail in the note to financial statements section 8).

| | Consolidated financial information | | Separate financial information | |
|--|---------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| | 30 June 2021 Baht Million | 31 December 2020 Baht Million | 30 June 2021 Baht Million | 31 December 2020 Baht Million |
| Receivable from TOT Billed customers | 223.96 24,759.12 | 360.41 23,994.49 | 223.96 814.22 | 360.41 822.37 |
| Receivables and accrued income from related parties (Note 20) | 13,664.31 | 14,169.50 | 21,947.74 | 18,675.66 |
| Trade accounts receivable Accrued income | 38,647.39 13,123.86 | 38,524.40 11,658.49 | 22,985.92 2,269.59 | 19,858.44 2,273.31 |
| Total trade accounts receivable Less Expected credit loss | 51,771.25 (8,964.85) | 50,182.89 (7,908.51) | 25,255.51 (2,947.19) | 22,131.75 (2,947.21) |
| Trade accounts receivable, net | 42,806.40 | 42,274.38 | 22,308.32 | 19,184.54 |

At 30 June 2021 and 31 December 2020, trade receivables, included in trade and other receivables in statements of financial position, can analyze aging as follows:

| | Consolidated financial information | | Separate financial information | |
|----------------------------------|---|--|---|--|
| | 30 June 2021 Baht Million | 31 December 2020 Baht Million | 30 June 2021 Baht Million | 31 December 2020 Baht Million |
| Current | 8,985.14 | 9,172.32 | 2,077.31 | 1,728.97 |
| Less than 3 months | 7,848.34 | 9,709.07 | 1,061.38 | 2,979.00 |
| 3 - 6 months | 4,870.53 | 5,616.09 | 3,074.63 | 2,212.35 |
| 6 - 12 months | 8,024.33 | 7,315.36 | 7,903.02 | 4,804.98 |
| More than 12 months | 8,919.05 | 6,711.56 | 8,914.58 | 8,133.14 |
| Trade accounts receivable | 38,647.39 | 38,524.40 | 22,985.92 | 19,858.44 |
| Accrued income | 13,123.86 | 11,658.49 | 2,269.59 | 2,273.31 |
| Total trade accounts receivable | 51,771.25 | 50,182.89 | 25,255.51 | 22,131.75 |
| <u>Less</u> Expected credit loss | <u>(8,964.85)</u> | <u>(7,905.51)</u> | <u>(2,947.19)</u> | <u>(2,947.21)</u> |
| Trade accounts receivable, net | <u>42,806.40</u> | <u>42,274.38</u> | <u>22,308.32</u> | <u>19,184.54</u> |

Trade accounts receivable are carried at the amount of consideration that is unconditional unless they contain significant financing components, they are recognized at fair value and subsequently measured at amortized cost less allowance for expected credit loss.

The allowance for expected credit loss is determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. Management is confident that the allowance for doubtful accounts (Baht 8,964.85 million) is sufficient given the Company's experience in collecting accounts receivables using various mechanisms.

Concentrations of credit risk with respect to trade accounts receivable are limited as the Group has a large number of customers, who are end users covering business and individuals. The Group's experience in the collection of accounts indicates that the allowance provided will be sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

Liabilities

- **True Group's total liabilities** increased 2.3% from the end of 2020 to Baht 544.3 billion driven by **Interest bearing debt** (short-term and long-term borrowings excluding financial leases) which rose 13.0% from year end to Baht 252.1 billion in order to support the Group's continued business expansion and working capital requirements.
- **Trade accounts payable** decreased 1.0% from the end of 2020 to Baht 63.8 billion driven by vendor payments during the period with average payment period decreasing to 231 days.

Shareholders' equity

- **Shareholders' equity** declined 3.7% from year end to Baht 82.4 billion following dividend payment in May 2021.

Cash Flow

- True Group's primary capital resources in 1H21 were **cash flows from financing activities** which increased to Baht 16.9 billion along with additional long-term borrowings to support the Group's business expansion.
- **Cash flows from operating activities** were Baht 22.7 billion before interest and tax and Baht 16.8 billion after interest and tax payments, declined YoY on a high base of VAT refund last year; excluding this, net operating cash flows grew 38% YoY driven by higher scale and EBITDA expansion.
- **Cash flows used in investing activities** decreased YoY to Baht 32.5 billion with lower mobile spectrum installments compared to the same period last year while Cash CAPEX on PPE was Baht 19.6 billion in 1H21.
- True Group ended the first half of 2021 with cash and cash equivalents of Baht 25.6 billion.