

## Executive summary and performance at 9M21

### Executive summary

In September 2021, the Bank of Thailand made another revision to its Thai GDP growth projection for 2021, from 1.8% to 0.7%, mainly due to the prolonged and severe third outbreak of Covid-19 that has affected spending and restricted both domestic and international travel. However, the Bank of Thailand has estimated that GDP will grow 3.9% in 2022, supported by an economic recovery and the reopening of the country's borders. The prolonged outbreak continued to affect AIS customer spending in 3Q21, mainly in the prepaid segment, so the company launched marketing campaigns to retain revenue market share.

At the end of 3Q21, INTOUCH's share price had risen 43% to 80.50 baht, from 56.25 baht at year-end 2020, after Gulf Energy Development Plc. ("GULF") announced a tender offer for all of INTOUCH's securities. The result of this offer is that GULF now holds a 42.25% stake in INTOUCH. The total shareholder return (capital gain plus dividend yield) at 9M21 was 48%, which was 37% higher than the SET Index return. INTOUCH's long-term target is to deliver total shareholder return of at least 2% higher than the annual SET Index return. The Company also aims to increase its net asset value to 320,000 million baht by the end of 2025. These targets can be achieved by professional management helping the companies in the portfolio to grow, along with new investments in the TMT sector (including digital services).

### Performance at 9M21

**INTOUCH** reported a net profit of 8,136 million baht at 9M21, down 3% YoY due to lower net profit contributions from both AIS and THAICOM. The share of the net result from AIS decreased 1% YoY, mainly due to a loss on foreign exchange and a drop in revenue.

AIS continued to implement its investment plan to improve network quality and strengthen its 5G position in the market; CAPEX at 9M21 was approximately 18 billion baht, while the number of 5G subscribers had increased to 1.5 million. The share of net profit from THAICOM decreased 72% YoY, mainly because a large amount of compensation was recorded in 2Q20; if this extra item were excluded, the share of net profit would still have dropped due to less conventional and broadband satellite usage by some customers, along with a higher share of the net loss from LTC.

The financial results of AIS and THAICOM are described below.

**AIS** reported a net profit of 20,059 million baht at 9M21, a slight decrease of 1% YoY, mainly due to a higher foreign exchange loss following the appreciation of the US dollar against the Thai baht, along with a small drop in revenue due to lower consumption. Core service revenue was flat; mobile service revenue decreased 1.6% YoY, although this was offset by increases in fixed-broadband and enterprise revenues of 20% and 13%, respectively. Cost of services rose 4.1% YoY due to higher network expansion to maintain AIS's 4&5G position, along with higher depreciation & amortization of the 700MHz and 26GHz spectrum licenses. AIS's 5G network now covers 42% of the population. However, the prolonged Covid-19 outbreak has limited marketing activities and reduced costs; consequently, selling and administrative expenses decreased 13% YoY.

At 9M21, mobile service revenue had dropped due to weak consumer spending and intense pricing competition. ARPU continued to decline, even though the number of both prepaid and postpaid subscribers increased to a total of 43.7 million at the end of 3Q21. Fixed-broadband revenue grew strongly, driven by the work- and study-from-home requirement; consequently, the number of users rose to 1.67 million, surpassing the year-end target of 1.6 million. However, the popularity of the low-price plan continued to pressure ARPU. Non-mobile enterprise revenue continued to grow from an increase in cloud-based, data center and ICT solutions to support operational digitization.

AIS's 2021 guidance (maintained)

<b>Target guidance</b>	
Core service revenue growth	Flat to slight decline
EBITDA growth	Flat
CAPEX (excluding spectrum license fees)	Bt25-30bn

AIS contributes net profit to INTOUCH pro rata to the current shareholding of 40.44%.

**THAICOM** reported a net profit of 217 million baht at 9M21, a decrease of 72% YoY from 770 million baht as a large amount of compensation was recorded in 2Q20. The normalized loss was 213 million baht, excluding foreign exchange gains or losses, compensation income and other one-time items, compared to a normalized profit of 39 million baht at 9M20. This was mainly due to lower revenue from satellites and related services, along with a higher loss contribution from joint ventures.

At 9M21, THAICOM had sales and service revenue of 2,509 million baht, down 9% YoY. This was due to a drop of 8.9% in revenue from the conventional satellites after Thaicom 5 was deorbited in February 2020, as well as lower domestic usage, along with a drop of 8.9% from the broadband satellite because of lower foreign usage. The 30-year operating agreement between THAICOM and the Ministry of Transport and Communications, which was transferred to the Ministry of Digital Economy and Society, expired on 10 September 2021. At the end of 3Q21, the committed utilization rate of the conventional satellites (Thaicom 7 & 8) was 59%.

At the end of 3Q21, THAICOM had cash and cash equivalents (including current investment or current financial assets) of 7,050 million baht. Net borrowing stood at 3,527 million baht, down from year-end 2020 due to the repayment of long-term loans as scheduled. As a result, the net borrowing-to-equity ratio dropped to 0.31x from 0.35x at the end of 2020. THAICOM has the ability to make new investments if future opportunities arise.

### Share of profit (loss) of THAICOM's investment in joint ventures

These joint ventures are LTC, NSAT and ATI. At 9M21, the share of the net loss was 86 million baht, compared to a net profit of 23 million baht at 9M20. This was due to lower revenue from LTC, following the drop in tourism (during the Covid-19 shutdown in Lao PDR), as well as a mark-to-market loss on its accrued dividends and US-dollar loan after the depreciation of the Lao kip. NSAT and ATI, which had just begun operating, also reported net losses.

### InVent portfolio

The total active portfolio value rose in 3Q21, due to additional investments and a gain on investment after the startup companies were reassessed using the fair value method (to reflect their prospective performance and the success of new funding rounds). Three companies, Ookbee, Ecommerce Enablers (Shopback) and Ninja Logistics (Ninjavan), recorded dilution gains from additional funding. Consequently, the total active portfolio value was 1,155 million baht at the end of 3Q21, up from 975 million baht at year-end 2020, an increase of 18%.

### The Company's standalone performance

At 9M21, INTOUCH had a share of the net result from subsidiaries and associates of 8,188 million baht, a decrease of 3.7% YoY; this was mainly due to a lower net profit contribution from THAICOM. The total administrative expenses were 248 million baht, an increase of 8% YoY, mainly from higher professional fees and more CSR donations. However, the administrative expenses were still in line with the annual budget of 300-400 million baht in 2021.

### **Dividend payout**

INTOUCH has a policy of paying dividends based on the separate financial statements. These are mainly dividends passed through from associates and subsidiaries after the deduction of operating expenses, assuming there are no extraordinary circumstances or items of concern in which the payment of a dividend would have a material impact on the Company's operations.

### **Possible key and influential factors affecting the Company's future operations or financial position**

INTOUCH conducts its business as a holding company that has investments in other companies. Therefore, the financial position or operational results of these companies could have a material impact on INTOUCH.

The performance of these investments has been disclosed in the Management Discussion & Analysis of Financial Results for AIS (ADVANC) and THAIKOM (THCOM).

### **Significant Events**

#### **The result of the Conditional Voluntary Tender Offer for all of INTOUCH's securities**

On 5 August 2021, INTOUCH received the Report on the Result of the Tender Offer (Form 256-2) from GULF, which had made a conditional voluntary offer for all the Company's securities. This report (Ref: GED O 0821/223), dated 5 August 2021, stated that GULF had acquired another 747,874,638 of the Company's issued shares, representing 23.32% of the paid-up capital. Together with the shares purchased before the tender offer, GULF now holds a total of 1,354,752,952 issued shares, representing 42.25% of the Company's paid-up capital.

#### **Local wireless telecommunication business**

In September 2021, AIS and National Telecom Plc. ("NT") reached an agreement to settle some of their disputes. AIS paid a total of 447.87 million baht in compensation to NT. There was no impact on AIS's statement of profit or loss because a provision had already been set aside for this.

**The market and Competitive Environment** in the mobile industry has remained competitive, as low-priced unlimited prepaid plans continue to dilute ARPU. Overall, the pricing environment in the prepaid market segment remained challenging in 3Q21, as customers affected by the sluggish economy sought value-for-money services. Competition in the postpaid segment was stable, while the operators with a 5G service have focused on improving public perception of this in order to attract more subscribers. AIS has positioned 5G as a premium product at a higher price in order to build incremental ARPU.

The fixed-broadband market has maintained a healthy growth rate, following the work- and study-from-home requirement, while the entry plan remained stable at around 400 baht. The operators have mainly focused on value-added services such as speed boost, equipment upgrades and VDO content, as well as improving service quality. AIS Fibre has concentrated on building customer perception of its 5G service, offering a guaranteed maintenance service within 24 hours to differentiate itself from the other operators.

**In the mobile business**, despite the shop closures for two months (July and August) due to coronavirus restriction measures, the subscriber base expanded to 43.7 million in 3Q21 with 424,000 net additions. This was attributable to online channels, telesales and temporary shops, all of which have played a key role in acquiring new subscribers and providing services to existing ones. The prepaid segment continued its acquisition momentum with a net addition of 134,400 QoQ; the postpaid segment expanded robustly, adding 289,800 subscribers QoQ, mainly from pre-to-post migration as customer perception of the 5G service improved. Overall, blended ARPU dropped 5.9% YoY and 0.6% QoQ to 223 baht/subscriber/month due to weak consumer spending.

In the fixed-broadband (FBB) and digital service businesses, AIS Fibre continued to ramp up its subscriber base with a net addition of 133,000 in 3Q21. Increased demand for home connections during the pandemic has boosted the subscriber growth to 1,668,900, already exceeding the year-end target of 1.6 million. However, intense competition resulted in ARPU dropping 5.9% YoY and 0.5% QoQ.

### Satellite business

Thirty years ago, THAICOM signed an agreement with the Ministry of Transport and Communications to operate and administer satellite projects for a period of 30 years, which included the provision of transponder services for domestic and international communications with the right to collect service charges from the users. This agreement was later transferred to the Ministry of Digital Economy and Society (“MDES”) and expired on 10 September 2021.

Before this agreement expired, a subsidiary of THAICOM entered into a memorandum of agreement with NT, which had been established by the MDES to operate Thaicom 4 & 6, to purchase some bandwidth on these satellites. Therefore, since 11 September 2021, THAICOM Group has been able to continue providing transponder services on Thaicom 4 & 6 to some of its customers.

At the end of 3Q21, the committed utilization rate of the conventional satellites (Thaicom 7 & 8) was 59%.

### Telecom services in Lao PDR

At the end of 3Q21, LTC Group had a total of 1.86 million mobile subscribers, an increase from 1.76 million and 1.59 million in 2Q21 and 3Q20, respectively.

### Disposal of investment in High Shopping Co., Ltd. (“High Shopping”)

In September 2021, INTOUCH Group disposed of all its investment in High Shopping, an indirect joint venture of INTOUCH. Prior to this, INTOUCH had made an additional capital injection of approximately 17 million baht into High Shopping through Intouch Media Co., Ltd.

## Overview of Consolidated Operational Results

Share of profit (loss) by business segment (in million baht)	3Q20		2Q21		3Q21		%YoY		%QoQ		For the nine-month period ended 30 September		
									2020		2021		%YoY
The Company	(59)	-2%	(70)	-2%	(68)	-3%	15%	-3%	(184)	-2%	(213)	-3%	16%
Local Wireless													
Telecommunication Business	2,634	99%	2,847	101%	2,578	97%	-2%	-9%	8,210	98%	8,113	100%	-1%
Satellite & International Businesses	31	1%	(17)	-1%	60	2%	94%	453%	316	4%	90	1%	-72%
Other Businesses	55	2%	53	2%	92	3%	67%	74%	40	0%	146	2%	265%
<b>Net Profit</b>	<b>2,661</b>	<b>100%</b>	<b>2,813</b>	<b>100%</b>	<b>2,662</b>	<b>100%</b>	<b>0%</b>	<b>-5%</b>	<b>8,382</b>	<b>100%</b>	<b>8,136</b>	<b>100%</b>	<b>-3%</b>
<b>Normalized Net Profit *</b>	<b>2,604</b>	<b>98%</b>	<b>2,622</b>	<b>93%</b>	<b>2,619</b>	<b>98%</b>	<b>1%</b>	<b>0%</b>	<b>8,089</b>	<b>96%</b>	<b>7,912</b>	<b>97%</b>	<b>-2%</b>

\* Excluding the share of gain or loss from extra items, net gain (loss) from revaluation to determine fair value, divestments and net foreign exchange gain (loss).

The consolidated financial statements for 3Q21 showed a net profit of 2,662 million baht, a slight rise YoY but a drop of 5% QoQ, mainly due to a lower contribution from the local wireless telecommunication business, which recorded a net foreign exchange loss and an increase in depreciation & amortization after the acquisition of new frequency spectrums.

Net profit at 9M21 was 8,136 million baht, a drop of 3% from 9M20, mainly due to a lower contribution from the satellite & international businesses which had recorded a share of compensation (after a prepaid expense was written off) as other income in 2Q20. Even if this compensation is excluded, the contribution from THAICOM would have dropped, due to lower revenue and higher SG&A from legal consultation fees.

## Key Operational Results

### Company business

The Company (in million baht)	3Q20	2Q21	3Q21	%YoY	%QoQ	For the nine-month period ended 30 September		
						2020	2021	%YoY
Expenses	(81)	(78)	<b>(86)</b>	6%	10%	(230)	<b>(248)</b>	8%
Others <sup>1)</sup>	22	8	<b>18</b>	-18%	125%	46	<b>35</b>	-24%
<b>Net Loss</b>	<b>(59)</b>	<b>(70)</b>	<b>(68)</b>	<b>15%</b>	<b>-3%</b>	<b>(184)</b>	<b>(213)</b>	<b>16%</b>
<b>Normalized net loss <sup>2)</sup></b>	<b>(73)</b>	<b>(70)</b>	<b>(76)</b>	<b>4%</b>	<b>9%</b>	<b>(198)</b>	<b>(221)</b>	<b>12%</b>

1) Excluding net gain (loss) from revaluation to determine fair value of investments in Venture Capital project which were presented as a part of operational result in Other Businesses.

2) Excluding net gain (loss) from revaluation to determine fair value & divestments in Venture Capital project.

**INTOUCH's net loss** rose 15% YoY and 13% from 9M20, mainly due to expenses related to the tender offer for all of INTOUCH's securities and CSR donations of medical equipment to alleviate suffering during the Covid-19 outbreak. In addition, there was a lower return on investments in other current financial assets, following a drop in bond yields, although this was partially offset by lower staff costs.

The net loss dropped 3% QoQ, mainly due to a gain from divestments in the Venture Capital project, despite the additional expenses mentioned above.

### Local wireless telecommunications

Local wireless telecommunications (in million baht)	3Q20	2Q21	3Q21	%YoY	%QoQ	For the nine-month period ended 30 September		
						2020	2021	%YoY
Share of net result from investment in AIS Group using equity method	2,634	2,847	<b>2,578</b>	-2%	-9%	8,210	<b>8,113</b>	-1%
Normalized share of net result *	2,692	2,736	2,717	1%	-1%	8,295	8,212	-1%

\* Excluding the share of gain or loss from extra items and net foreign exchange gain (loss).

**The share of the net results from AIS Group** of 3Q21 and 9M21 decreased QoQ, YoY and from 9M20, mainly due to a higher net foreign exchange loss and an increase in depreciation & amortization, together with a gain from an extra item in 2Q21, even though the core service revenue improved YoY and from 9M20. Compared to 2Q21 and 9M20, if the extra item and net foreign exchange loss were excluded, the share of the net results from AIS Group in 3Q21 and at 9M21 would have been 2,717 million baht and 8,212 million baht, respectively, a slight change QoQ, YoY and from 9M20.

**Sales and service revenue** decreased slightly QoQ, but increased YoY and from 9M20 due to higher fixed-broadband revenue as the subscriber base expanded, following the work- and study-from-home requirement, partially offset by lower ARPU as market prices remained low to address weak consumption. Revenue from the non-mobile enterprise business rose due to the growing demand for cloud-based, data center and enterprise solutions, along with the introduction of new services (such as eFBB) to expand into new markets. However, mobile revenue in 3Q21 was flat QoQ and YoY, while 9M21 was lower than 9M20, reflecting the prolonged economic impact from weak consumer spending.

**Sales and service costs** rose YoY and from 9M20, mainly due to depreciation & amortization after the acquisition of new frequency spectrums, along with other service costs related to content from Disney+ Hotstar and the Olympic Games. AIS continued to implement its 5G investment plan in order to strengthen its leading position, which increased network OPEX and partnership costs, although the former remained well-controlled. However, sales and service costs decreased QoQ, following a drop in mobile sales, as some distribution channels were limited due to nationwide coronavirus restrictions.

**Distribution costs & administrative expenses** of 3Q21 and at 9M21 decreased YoY and from 9M20, due to coronavirus restrictions, but increased QoQ from more advertising to promote 5G, along with content and products (such as Disney+ Hotstar, the Olympic Games, and FBB with a guaranteed maintenance service).

### Satellite & international businesses

Satellite & International Businesses (in million baht)	3Q20	2Q21	3Q21	%YoY	%QoQ	For the nine-month period ended 30 September		
						2020	2021	%YoY
Sales and service revenue	918	796	<b>925</b>	1%	16%	2,756	<b>2,509</b>	-9%
Sales and service costs	(610)	(523)	<b>(558)</b>	-9%	7%	(1,678)	<b>(1,604)</b>	-4%
Operating agreement fees	(126)	(127)	<b>(97)</b>	-23%	-24%	(392)	<b>(351)</b>	-10%
Distribution costs & administrative expenses	(183)	(233)	<b>(243)</b>	33%	4%	(592)	<b>(681)</b>	15%
Share of profit (loss) of investments in joint ventures	2	(4)	<b>(67)</b>	-3,450%	1,575%	22	<b>(86)</b>	-491%
Other income	39	41	<b>38</b>	-3%	-7%	775	<b>166</b>	-79%
Net foreign exchange gain	97	71	<b>206</b>	112%	190%	112	<b>428</b>	282%
Finance costs and tax	(61)	(62)	<b>(58)</b>	-5%	-6%	(233)	<b>(164)</b>	-30%
<b>Net profit (loss)</b>	<b>76</b>	<b>(41)</b>	<b>146</b>	<b>92%</b>	<b>456%</b>	<b>770</b>	<b>217</b>	<b>-72%</b>
<b>Contribution to INTOUCH Group</b>	<b>31</b>	<b>(17)</b>	<b>60</b>	<b>94%</b>	<b>453%</b>	<b>316</b>	<b>90</b>	<b>-72%</b>
<b>Normalized contribution to INTOUCH Group *</b>	<b>(9)</b>	<b>(46)</b>	<b>(25)</b>	<b>178%</b>	<b>-46%</b>	<b>14</b>	<b>(86)</b>	<b>-714%</b>

\* Excluding the share of gain or loss from extra items in the satellite & international businesses, such as compensation income, written-off assets and net foreign exchange gain (loss).

**THAICOM's net results** in 3Q21 showed a gain of 146 million baht, a rise from 3Q20 and the net loss in 2Q21. This was mainly due to recording lower satellite depreciation and operating agreement fees after the operating agreement expired. Moreover, sales and service revenue from both the conventional & broadband satellites increased, while there was a higher net foreign exchange gain.

However, if the net foreign exchange gain were excluded, the 3Q21 normalized net results would have shown a loss of 25 million baht, more than 3Q20. This was mainly due to higher legal fees and a share of loss of investment in joint ventures, even though revenue rose while depreciation and operating agreement fees fell. The share of the net loss improved QoQ from 46 million baht in 2Q21, mainly due to an increase in revenue from the sale of bandwidth on the conventional satellites, along with occasional related services, and the broadband satellite, including value-added services for foreign customers. Moreover, costs dropped after the operating agreement expired as the satellites had been fully depreciated.

At 9M21, the net profit was 217 million baht, a decrease from 9M20, mainly due to the share of compensation (after a prepaid expense was written off) that was recorded as other income in 2Q20. However, if this compensation and net foreign exchange gain/loss were excluded, the normalized share of the net result from the satellite & international businesses would have been a loss of 86 million baht, compared to a gain of 14 million baht at 9M20, mainly due to losing some customers (when Thaicom 5 was deorbited last year) and lower broadband usage by foreign customers. SG&A increased, mostly from higher legal fees and a share of loss in joint ventures, even though lower satellite depreciation and operating agreement fees were recorded.

**Other businesses**

Other Businesses (in million baht)	3Q20	2Q21	3Q21	%YoY	%QoQ	For the nine-month period ended 30 September		
						2020	2021	%YoY
Service revenue	10	-	<b>12</b>	20%	100%	93	<b>13</b>	-86%
Service costs	(10)	-	<b>(9)</b>	-10%	100%	(79)	<b>(10)</b>	-87%
Distribution costs & administrative expenses	(10)	(3)	<b>(4)</b>	-60%	33%	(38)	<b>(10)</b>	-74%
Share of loss from investments, net gain from fair value measurement and gain (loss) on divestment of investments	61	51	<b>89</b>	46%	75%	58	<b>139</b>	140%
Other income	5	6	<b>6</b>	20%	0%	19	<b>20</b>	5%
Finance cost and income tax expense	-	-	<b>(1)</b>	100%	100%	(8)	<b>(2)</b>	-75%
<b>Net profit (loss)</b>	<b>56</b>	<b>54</b>	<b>93</b>	<b>66%</b>	<b>72%</b>	<b>45</b>	<b>150</b>	<b>233%</b>
<b>Contribution to INTOUCH Group</b>	<b>55</b>	<b>53</b>	<b>92</b>	<b>67%</b>	<b>74%</b>	<b>40</b>	<b>146</b>	<b>265%</b>
<b>Normalized Contributed to INTOUCH Group *</b>	<b>(6)</b>	<b>2</b>	<b>3</b>	<b>150%</b>	<b>50%</b>	<b>(22)</b>	<b>7</b>	<b>132%</b>

\* Excluding net gain from revaluation to determine fair value of investments in Venture Capital project and gain (loss) on divestments.

**Other businesses** include the former information technology business, a home shopping business (INTOUCH Group sold of all its investment in High Shopping in September 2021), a human-resource development business (for the group), and investments under the Venture Capital project (“InVent”). In 2Q21 and 3Q21, many companies in the InVent portfolio received additional capital injections from other investors, so the Company reassessed their value and recognized a gain of 156 million baht under the fair value method. In 2020, INTOUCH ceased operating its information technology business and launched its human-resource development business in the third quarter.



## Summary of Financial Position

### Key financial position data

Consolidated Financial Position	As at 31 December 2020		As at 30 September 2021		Change	
	million baht	%	million baht	%	million baht	%
<b>Assets</b>						
Cash & cash equivalents	2,843	5%	<b>4,345</b>	<b>8%</b>	1,502	53%
Other current financial assets	7,269	14%	<b>6,355</b>	<b>12%</b>	(914)	-13%
Trade receivables	1,525	3%	<b>1,516</b>	<b>3%</b>	(9)	-1%
Current portion of long-term loans to related parties	853	2%	<b>1,049</b>	<b>2%</b>	196	23%
Inventories	55	0%	<b>36</b>	<b>0%</b>	(19)	-35%
Other current assets	473	1%	<b>479</b>	<b>1%</b>	6	1%
Long-term loans to related party	898	2%	<b>762</b>	<b>1%</b>	(136)	-15%
Investment in associates and joint ventures	32,687	62%	<b>32,423</b>	<b>60%</b>	(264)	-1%
Investment in venture capital	975	2%	<b>1,155</b>	<b>2%</b>	180	18%
Property, plant & equipment	3,108	6%	<b>2,846</b>	<b>5%</b>	(262)	-8%
Right-of-use assets	190	0%	<b>1,503</b>	<b>3%</b>	1,313	691%
Deferred tax assets	728	1%	<b>696</b>	<b>1%</b>	(32)	-4%
Other non-current assets	1,033	2%	<b>489</b>	<b>1%</b>	(544)	-53%
<b>Total Assets</b>	<b>52,637</b>	<b>100%</b>	<b>53,654</b>	<b>100%</b>	<b>1,017</b>	<b>2%</b>
<b>Liabilities and Equity</b>						
Current portion of long-term borrowings and lease liabilities	2,674	5%	<b>2,863</b>	5%	189	7%
Provision for unpaid operating fees and interest	2,890	5%	<b>2,890</b>	5%	-	0%
Other current liabilities	880	2%	<b>824</b>	<b>2%</b>	(56)	-6%
Long-term borrowings and lease liabilities	1,231	2%	<b>2,126</b>	<b>4%</b>	895	73%
Other non-current liabilities	821	2%	<b>839</b>	<b>2%</b>	18	2%
<b>Total Liabilities</b>	<b>8,496</b>	<b>16%</b>	<b>9,542</b>	<b>18%</b>	<b>1,046</b>	<b>12%</b>
<b>Total Equity</b>	<b>44,141</b>	<b>84%</b>	<b>44,112</b>	<b>82%</b>	<b>(29)</b>	<b>0%</b>
<b>Total Liabilities and Equity</b>	<b>52,637</b>	<b>100%</b>	<b>53,654</b>	<b>100%</b>	<b>1,017</b>	<b>2%</b>

\* Some items have been reclassified for comparative and analytical purposes.

**Total consolidated assets** rose 2% from the end of 2020, mainly from an increase in cash & cash equivalents due to cash received from operational results by 9M21 and the withdrawal from short-term investments, a part of other current financial assets, to repay a long-term debenture in 4Q21. The increase in right-of-use assets was due to an agreement to purchase some bandwidth on the Thaicom 4 & 6 satellites at the end of the operating agreement. However, this was partially offset by a decrease in other non-current assets after intangible assets under operating agreements had been fully amortized.

**Total consolidated liabilities** increased 12% from the end of 2020, due to a rise in lease liabilities after signing the abovementioned agreement to purchase bandwidth, although this was partially offset by a decrease in long-term borrowings following the repayment schedules.

**Total consolidated equity** was stable from the end of 2020, due to steady operational results in the group by 9M21, net of dividend payments.



**Liquidity and cash flow:** At the end of 3Q21, the current ratio was 2.1, a decrease from 2.9 at the end of 3Q20, mainly due to an increase in the current portion of long-term loans and lease liabilities. INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations as well as secure short-term credit facilities from various banks as financial backup.

The consolidated cash rose by 1,502 million baht from the end of 2020 (excluding the impact from foreign currency fluctuations), mainly due to the withdrawal of short-term investments to repay a long-term debenture in 4Q21, although this was partially offset by the repayment of long-term loans plus interest in the satellite business.

**Accounts receivable:** At the end of 3Q21, INTOUCH Group had accounts receivable equivalent to 3% of total assets, almost unchanged from the end of 2020. The group has reserved an appropriate provision for expected credit losses.

**Inventory:** At the end of 3Q21, the value of INTOUCH Group's inventory dropped from the end of 2020, due to a sale in the satellite business. The group assesses the allowance for obsolete inventories on a regular basis to ensure that it is appropriate. Inventories are reported at cost or their net realizable value, whichever is lower. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale.

**Profitability ratio and return on equity:** INTOUCH Group's net profit margin at the end of 9M21 was 71.7%, higher than 9M20, while the return on equity was 21.4%, a decrease from the previous period due to higher shareholders' equity from an increase in retained earnings.

**Debt-to-equity ratio:** At the end of 3Q21, the group had a debt-to-equity ratio of 0.3 times, the same as year-end 2020. INTOUCH Group has the ability to repay both short- and long-term loans without violating the conditions of its loan agreements with respect to maintaining stipulated financial ratios.

The group's commitments, including those off the balance sheet, have been disclosed in the notes to the interim financial statements, namely *Commitments, Bank Guarantees, Significant Events, and Disputes & Litigation*.

### The External Auditor's Report

The external auditor's report contained the following conclusion:

"Based on our review, nothing has come to our attention that leads us to believe that the aforementioned interim financial information for the three-month and nine-month periods ended 30 September 2021 has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34: *Interim Financial Reporting*."

## Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 December 2020		As at 30 September 2021		Change	
	million baht	%	million baht	%	million baht	%
<b>Assets</b>						
Cash & cash equivalents	451	1%	410	1%	(41)	-9%
Other current financial assets	1,746	4%	1,966	5%	220	13%
Investment in subsidiaries and associates	35,891	92%	35,463	91%	(428)	-1%
Investments in venture capital	975	2%	1,155	3%	180	18%
Other assets	73	0%	77	0%	4	5%
<b>Total Assets</b>	<b>39,136</b>	<b>100%</b>	<b>39,071</b>	<b>100%</b>	<b>(24)</b>	<b>0%</b>
<b>Liabilities and Equity</b>						
Other liabilities	211	1%	178	0%	(33)	-16%
<b>Total Equity</b>	<b>38,925</b>	<b>99%</b>	<b>38,893</b>	<b>100%</b>	<b>(32)</b>	<b>0%</b>
<b>Total Liabilities and Equity</b>	<b>39,136</b>	<b>100%</b>	<b>39,071</b>	<b>100%</b>	<b>(65)</b>	<b>0%</b>

\* Some items have been reclassified for comparative and analytical purposes.

Separate Statements of Profit or Loss (in million baht)						For the nine-month period ended 30 September		
	3Q20	2Q21	3Q21	%YoY	%QoQ	2020	2021	%YoY
Share of net results from investments in:-								
Subsidiaries	24	(16)	45	88%	381%	289	76	-74%
Associates	2,634	2,847	2,578	-2%	-9%	8,210	8,113	-1%
Other income	85	60	125	47%	108%	112	194	73%
<b>Total revenue</b>	<b>2,743</b>	<b>2,891</b>	<b>2,748</b>	<b>0%</b>	<b>-5%</b>	<b>8,611</b>	<b>8,383</b>	<b>-3%</b>
Administrative & other expenses	(60)	(60)	(68)	13%	13%	(173)	(193)	12%
Directors and management benefits	(21)	(18)	(18)	-14%	0%	(57)	(55)	-4%
<b>Total expenses</b>	<b>(81)</b>	<b>(78)</b>	<b>(86)</b>	<b>6%</b>	<b>10%</b>	<b>(230)</b>	<b>(248)</b>	<b>8%</b>
<b>Profit before finance costs</b>	<b>2,662</b>	<b>2,813</b>	<b>2,662</b>	<b>0%</b>	<b>-5%</b>	<b>8,381</b>	<b>8,135</b>	<b>-3%</b>
Finance costs	(1)	(1)	(1)	0%	0%	(4)	(3)	-25%
<b>Net Profit</b>	<b>2,661</b>	<b>2,812</b>	<b>2,661</b>	<b>0%</b>	<b>-5%</b>	<b>8,377</b>	<b>8,132</b>	<b>-3%</b>

Consolidated Statements of Profit or Loss (in million baht)						For the nine-month period ended 30 September		
	3Q20	2Q21	3Q21	%YoY	%QoQ	2020	2021	%YoY
Sales and service revenue	924	796	935	1%	17%	2,840	2,519	-11%
Share of net results from investments								
in joint ventures	2	(4)	(67)	-3,450%	1,575%	18	(86)	-578%
Share of profit of investments in associates	2,634	2,847	2,578	-2%	-9%	8,210	8,113	-1%
Net foreign exchange gain	97	71	206	112%	190%	112	428	282%
Other income	127	106	169	33%	59%	902	378	-58%
<b>Total revenue</b>	<b>3,784</b>	<b>3,816</b>	<b>3,821</b>	<b>1%</b>	<b>0%</b>	<b>12,082</b>	<b>11,352</b>	<b>-6%</b>
Sales and service costs	(620)	(523)	(567)	-9%	8%	(1,757)	(1,614)	-8%
Operating agreement fees	(126)	(127)	(97)	-23%	-24%	(392)	(351)	-10%
Distribution costs	(3)	(3)	(5)	67%	67%	(16)	(11)	-31%
Administrative expenses	(228)	(272)	(303)	33%	11%	(724)	(821)	13%
Directors and management benefit expenses	(38)	(39)	(39)	3%	0%	(109)	(119)	9%
<b>Total expenses</b>	<b>(1,015)</b>	<b>(964)</b>	<b>(1,011)</b>	<b>0%</b>	<b>5%</b>	<b>(2,998)</b>	<b>(2,916)</b>	<b>-3%</b>
<b>Profit before finance costs &amp; income tax expense</b>	<b>2,769</b>	<b>2,852</b>	<b>2,810</b>	<b>1%</b>	<b>-1%</b>	<b>9,084</b>	<b>8,436</b>	<b>-7%</b>
Finance costs	(49)	(40)	(48)	-2%	20%	(150)	(129)	-14%
<b>Profit before income tax expense</b>	<b>2,720</b>	<b>2,812</b>	<b>2,762</b>	<b>2%</b>	<b>-2%</b>	<b>8,934</b>	<b>8,307</b>	<b>-7%</b>
Income tax expense	(13)	(22)	(13)	0%	-41%	(93)	(40)	-57%
<b>Net profit</b>	<b>2,707</b>	<b>2,790</b>	<b>2,749</b>	<b>2%</b>	<b>-1%</b>	<b>8,841</b>	<b>8,267</b>	<b>-6%</b>
<b>Attributable to:</b>								
Owners of the Parent	2,661	2,813	2,662	0%	-5%	8,382	8,136	-3%
Non-controlling interests	46	(23)	87	89%	478%	459	131	-71%
<b>Net profit</b>	<b>2,707</b>	<b>2,790</b>	<b>2,749</b>	<b>2%</b>	<b>-1%</b>	<b>8,841</b>	<b>8,267</b>	<b>-6%</b>

**Consolidated source and use of Cash Flows \***

For the nine-month period ended 30 September 2021		million baht	
<b>Source of funds</b>		<b>Use of funds</b>	
Receive of dividends	8,575	Payment of dividend	8,401
Operating cash flows	921	Repayment of loan and lease liabilities	504
Decrease in other current financial assets	896	Net Investment in venture capital & joint ventures	96
Decrease in loans and advances to related parties	181	Purchase of fixed assets	37
Cash proceed from disposal of investments & others, net	60	Payment of interest	105
Cash proceeds from disposal of equipment	12		
		<b>Increase in cash</b>	<b>1,502</b>
<b>Total</b>	<b>10,645</b>		<b>10,645</b>

\* Consolidated cash flows consisted of cash and cash equivalents before exchange rate fluctuations were taken into account.

**Material financial ratios**
**(based on consolidated financial statements)**
**For the nine-month period ended 30 September**

	2020	2021	Change
Net profit margin (%)	69.4	<b>71.7</b>	2.3
Current ratio (times)	2.9	<b>2.1</b>	(0.8)
Return on equity attributed to owners of the parent (%)	24.0	<b>21.4</b>	(2.6)
Return on assets (%)	16.7	<b>15.3</b>	(1.4)
Debt to equity attributed to owners of the parent (times)	0.2	<b>0.3</b>	0.0
Interest bearing debt to equity attributed to owners of the parent (times)	0.1	<b>0.1</b>	0.0
Basic earnings per share (baht)	2.61	<b>2.54</b>	(0.07)
Book value per share (baht)	11.06	<b>11.86</b>	0.80

**Disclaimer**

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs, and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue" "plan" or other similar words.

The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the Company and its executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.