

11 November 2021

Subject: Management's Discussion and Analysis (MD&A)
Consolidated Financial Results: Q3/2021 and 9M/2021

Attention: Managing Director
The Stock Exchange of Thailand

Executive Summary

In the third quarter of 2021, there are highlights as follows:

1. The issuance of WARRANT, "PLANET-W1" and 124.99 MB Capital Increased

According to the resolution of the Extraordinary General Meeting of Shareholders No.1/2021 on 5 October 2021, Planet Communications Asia Public Co., Ltd. ("the Company") issued and allocated warrants to purchase the Company's ordinary shares No. 1 ("PLANET-W1") in the amount of not exceeding 124.99 million units to the Company's shareholders at free-of-charge. The Warrants shall be allotted at the ratio of 3 existing ordinary shares per 1 unit of PLANET-W1 at the exercise price of 2.00 baht per share. The purpose of issuing warrants is to gain the working capital for future business.

In order to accommodate the exercise of the Warrants, the Extraordinary General Meeting of Shareholders passed the resolution of approving the Company to increase the capital in the amount of 124.99 MB. As a result, the Company has a total ordinary shares of 499.99 million shares and has changed the registered capital to a total of 499.99 MB.

2. Increasing capital in Subsidiary, "Planet Utility"

On the 11 August 2021, the Board of Directors No.6/2021 passed the resolution of approving Planet Utility Company Limited ("Planet Utility"), to increase the capital from 5 MB to 50 MB in order to support the business opportunities in Utilities Management & Supply. Consequently, Planet Utility has a total ordinary shares of 5 million shares at par value 10 Baht per share. The company paid the increased capital 55% in August 2021.

3. Joint Venture with "TRC" and Invest in "TRC Utility"

In addition, the Board of Directors No.6/2021 approved Planet Utility to enter into the joint venture with TRC Construction Public Company Limited ("TRC"), the expert in construction business, to strengthen the ability of infrastructure part and support the expansion of water management business. Planet Utility also acquired 1 existing ordinary shares and 249,998 newly-issued ordinary shares at 100 baht per share from TRC Utility Company Limited ("TRC Utility"), who operates the business in all type of water management including production and supplying clean water and tap water.

As a result, Planet Utility has total ordinary shares of 249,999 shares from 500,000 ordinary shares of TRC Utility. This investment will contribute the synergy and the enhancement in knowledge and expertise sharing to support the future growth of water management business.

Operating Results

Operating results of the Company & its subsidiaries (Unit : MB)	Q3/21	Q3/20	Change +/-	9M/21	9M/20	Change +/-
			YoY			YoY
Operating revenue	111.34	146.42	-23.96%	301.46	468.62	-35.67%
Cost of sales	(79.41)	(107.04)	-25.81%	(203.94)	(359.84)	-43.32%
Gross profit	31.93	39.38	-18.92%	97.52	108.78	-10.35%
Selling and administrative expenses	(23.80)	(27.19)	-12.47%	(70.58)	(83.41)	-15.39%
Other income	4.80	2.50	91.60%	7.31	8.65	-15.61%
EBITDA	12.93	14.69	-12.00%	34.25	34.02	1%
Depreciation and amortization	(3.76)	(4.56)	-17.54%	(11.55)	(12.87)	-10.26%
EBIT	9.17	10.13	-9.50%	22.70	21.15	7.31%
Finance cost	(2.42)	(4.69)	-48.40%	(7.40)	(15.28)	-51.57%
Income tax expenses	(1.78)	(3.54)	-49.72%	(7.32)	(5.14)	42.41%
Share of profit (loss) from investment in associates	0.16	-		0.16	-	
Net profit	5.13	1.90	170.00%	8.14	0.73	1015.07%
Net profit for the Company	2.80	9.29	-69.86%	13.77	15.29	-9.94%
Gross profit margin (%)	28.68%	26.90%	1.78%	32.35%	23.21%	9.14%
Net profit margin (%)	4.42%	1.28%	3.14%	2.64%	0.15%	2.49%

Revenue

In the third quarter of 2021, revenue from sales and services was 111.34 MB, a decrease from Q3/2020 of 35.08 MB or 23.96%. It was mainly due to sales from products which decreased 52.03 MB from the COVID-19 situation which impacts the investment of both government and business sector. On the other hand, revenue from services increased 16.96 MB from Q3/2020, as a result of the Company strategy in focusing on selling after sales services and equipment rentals in order to satisfy the customer's needs in not investing in new CAPEX.

Cost of Sales and Services

The cost of sales and services in the third quarter of 2021 was 79.41 MB or 71.32% of operating revenue and the gross margin was 28.68%. To compare with Q3/2020, the cost of sales and services was 73.10% of operating revenue and the gross margin was 26.90%. The gross margin increased from the same period of last year because of the effective cost control policy.

Selling and Administrative Expenses

The selling expenses for Q3/2021 equaled to 6.57 MB or 5.66% of total revenue. It decreased from the same period of the previous year in the amount of 1.53 MB, or 18.89%. This was since the Company has conducted the seminar and training via virtual meeting which was an economic and effective tool during the pandemic.

The administrative expenses for Q3/2021 and Q3/2020 were 20.99 MB and 23.65 MB respectively, or 18.07% and 15.88% of total revenue. The effective cost control strategy was still the main reason of the decrease in administrative expense in this quarter.

Financial Costs

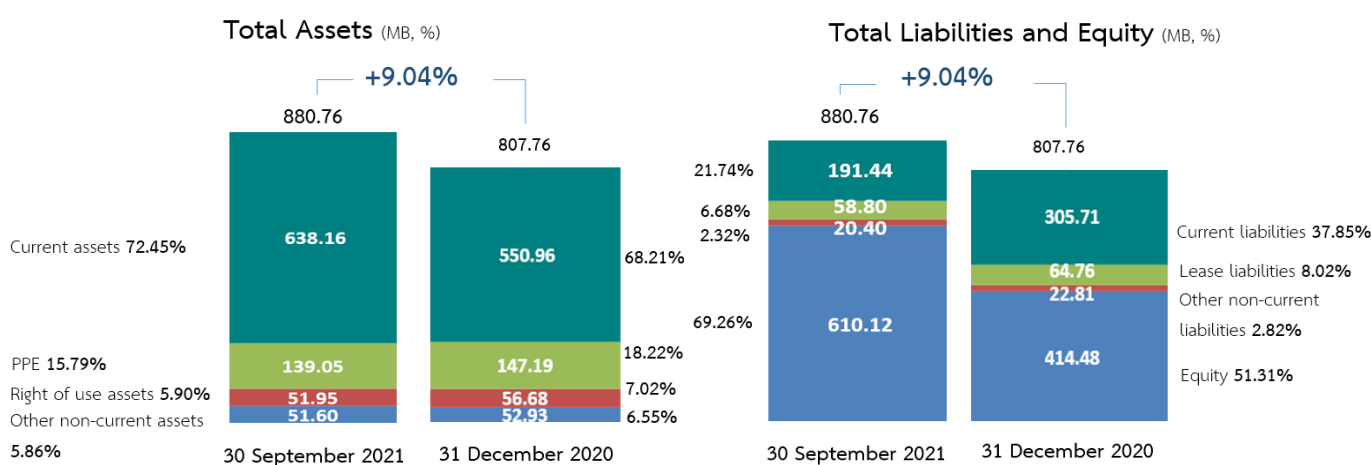
The financial cost for Q3/2021 was 2.42 MB or 2.08% of total revenue compared to the same period of last year which was 4.69 MB or 3.15% of total revenue. It decreased by 2.27 MB due to the repayment of short-term loan. Additionally, the Company tried to expedite bill collection and managed the liquidity from sales to pay off the debt in order to reduce interest payments.

Operating Results

Although, the Company revenue significantly decreased from Q3/2020, 23.96%, from the COVID-19 situation and technology disruption but the Company was still able to have some profit from the effective cost control policy. The net profit of Q3/2021 was 5.13 MB, or 4.42% of total revenue in Q2/2021. It increased from Q3/2020 which was 1.90 MB

In the nine-month period of 2021, net profit was 8.14 MB or 2.64% of total revenue compared to 9M/2020 in which there was net profit 0.73 MB, profit increased 7.41 MB or 1015.07%.

Financial Position



Assets

As of 30 September 2021, the total assets was 880.76 MB, increased 73.00 MB or 9.04% compared to the end of 2020 equaled to 807.76 MB. It was came from the increase in cash, 154.16 MB, which was mainly from Right Offering (RO). However, there was the decrease in account receivable and current contract assets 92.65 MB.

Liabilities

The total liabilities as of 30 September 2021 were 270.64 MB, decreased 122.64 MB or 31.18% compared to the end of 2020 which equaled to 393.28 MB. It was due to the Company's liquidity management from sales used to pay off the debt to reduce interest payments. The short-term borrowing from bank decreased by 49.97 MB or 38.44% from the end of 2020. In addition, there was a decrease in trade payable which was 30.97 MB or 30.91% because the payment cycle was due before the end of quarter. The contract liabilities also decreased by 35.63 MB.

Shareholders' equity

From the capital increasing by Right Offering (RO) in Q2/2021, the shareholders' equity as of 30 September 2021 was 610.12 MB, increased 195.64 MB or 47.20% compared to the end of 2020.

Financial Ratio

The important ratios are presented below:

Ratio	As of 30 September 2021	As of 31 December 2020
Liquidity Ratio (Times)	3.33	1.80
Debt to Equity Ratio (Times)	0.44	0.95
Return on Equity (%)	1.33	0.59

Yours Sincerely,

(Mr. Prapat Rathlertkarn)
Chief Executive Officer