

9 August 2022

Subject: Management's Discussion and Analysis (MD&A)
Consolidated Financial Results: Q2/2022 and H1/2022

Attention: Managing Director
The Stock Exchange of Thailand

Executive Summary

In the second quarter of 2022, there are highlights as follows:

1. Established new subsidiary "Planet EV"

The Board of Directors No. 2/2022 passed the resolution of approving the Company to establish a new subsidiary, Planet EV Company Limited "Planet EV" to manufacture, buy, sell, and export all kinds of electric cars, motorcycles, mechanisms, machineries, as well as parts or spare parts and accessories related to such products including providing a full range of electric vehicle charging stations.

Planet EV has 5 MB registered capital with total ordinary shares of 500 thousand shares at par value 10 Baht per share. The company fully paid the capital in Q2 2022.

Establishing Planet EV is one of the company's long-term investment plans in expanding the business into New S Curve. Planet EV already created the synergy with many strategic partners in order to align the resources and expertise to build a greater value together in a rapid EV market's growth. The Company aimed to create higher value for customers with innovative products and real-time services as well as the highest safety. This is to contribute the effective, eco-friendly, and sustainable energy management solutions to the society.

2. "128.21 MB" Thai Parliament Television (TPTV) Project

On 5 May 2022, Planet Communications Asia Public Co., Ltd. ("the Company") signed the 128.21 MB contract of the high definition broadcast equipment purchasing for Thai Parliament Television (TPTV) with The Secretariat of the Cabinet ("SOC"). This will strengthen the Company's backlog in H2/2022, as well as emphasize the proven success and expertise of the Company in digital and telecommunications for more than 30 years.

Although the Company was affected by COVID-19 in the past few years, after the COVID-19 situation in Thailand has been improving and the Thailand's government dropped the COVID-19 restrictions to open the country, the Company is recovering from the investment of government and enterprises which is quite back to normal.

Operating Results

Operating results of the Company & its subsidiaries (Unit : MB)	Q2/22	Q2/21	Change +/-	H1/22	H1/21	Change +/-
			YoY			YoY
Operating revenue	191.03	105.75	80.64%	303.97	190.11	59.89%
Cost of sales	(141.36)	(73.16)	93.22%	(217.87)	(124.53)	74.95%
Gross profit	49.67	32.59	52.41%	86.10	65.58	31.29%
Selling and administrative expenses	(27.64)	(22.43)	23.23%	(56.13)	(46.77)	20.01%
Other income	1.73	1.17	47.86%	2.81	2.51	12.11%
EBITDA	23.76	11.33	109.71%	32.79	21.32	54%
Depreciation and amortization	(4.59)	(3.85)	19.22%	(8.49)	(7.79)	8.99%
EBIT	19.17	7.48	156.28%	24.30	13.53	79.57%
Finance cost	(1.06)	(2.31)	-54.11%	(2.98)	(4.98)	-40.08%
Income tax expenses	(4.53)	(2.28)	98.68%	(5.93)	(5.53)	7.25%
Share of profit (loss) from investment in J/V	(0.38)	-	-100.00%	(0.05)	-	-100.00%
Net profit	13.20	2.89	356.75%	15.33	3.02	407.65%
Net profit for the Company	3.80	7.11	-46.55%	4.30	10.96	-60.77%
Gross profit margin (%)	26.00%	30.81%	-4.81%	28.33%	34.50%	-6.17%
Net profit margin (%)	6.85%	2.70%	4.14%	5.00%	1.57%	3.43%

Revenue

In the second quarter of 2022, revenue from sales and services was 191.03 MB, a significant increase 85.28 MB or 80.64% from Q2/2021, which was 105.75 MB. It was mainly due to sales from utility projects 69.02 MB according to the Company's strategy in New S Curve business investment.

Cost of Sales and Services

The rising cost of goods and equipment which was due to the sharp-rising inflation as well as increase in oil prices around the world has created ripple effects to the higher Company's cost of sales and services in the second quarter of 2022 which was 141.36 MB or 74.00% of operating revenue. To compare with Q2/2021, the cost of sales and services was 73.16 MB or 69.19% of operating revenue

Selling and Administrative Expenses

The selling expenses for Q2/2022 equaled to 8.25 MB or 4.28% of total revenue. It decreased from the same period of the previous year which was 6.15 MB. This was due to the Company targeted to conduct more online and offline seminars and attend trade fairs in both domestic and overseas after the COVID-19 situation in Thailand was improving as well as the government dropped the COVID-19 restrictions.

The administrative expenses including depreciations for Q2/2022 and Q2/2021 were 23.98 MB and 20.14 MB respectively, or 12.44% and 18.84% of total revenue. Although there's the rising in administrative and management cost from the higher inflation rate, there's still the decrease in administrative expenses to sales ratio due to the effective cost control strategy.

Financial Costs

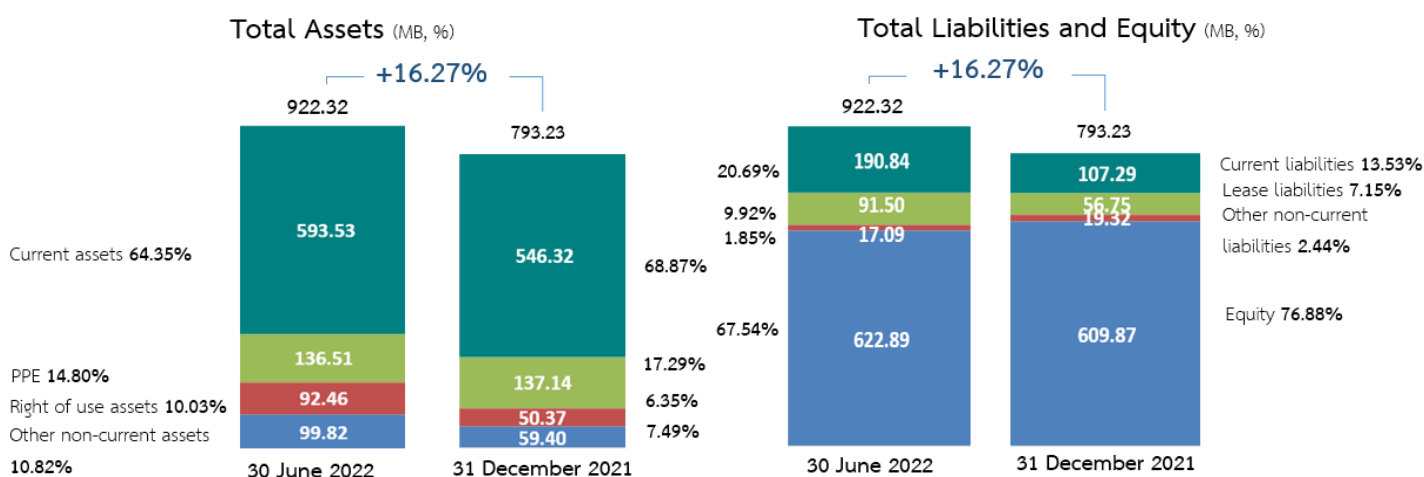
The financial cost for Q2/2022 was 1.06 MB or 0.55% of total revenue compared to the same period of last year which was 2.31 MB or 2.16% of total revenue. It decreased by 54.11% since there was the repayment of significant project's short-term loan. The Company tried to expedite bill collection and managed the liquidity from sales to pay off the debt in order to reduce interest payments.

Operating Results

The currency fluctuations and weak Baht in Q2/2022 affected the importers in many business sectors. Since the Company adopted the appropriate exchange rate risk management to cope with currency fluctuations by making forward exchange contracts, the Company was not affected by this situation.

According to the surge in sales of Cyber Security sector and the Company's investment strategy in expanding the business into New S Curve and Utility Managements Segment such as water leak management project and pyrolusite for water treatment project, it is likely that the Company has been successful in following the plan. This makes the Company's revenue in Q2/2022 increased 80.28% from the same period of last year and the net profit margin was 13.20 MB, increased from Q2/2021 which was 2.89 MB.

Financial Position



Assets

As of 30 June 2022, the total assets were 922.32 MB, increased 129.09 MB or 16.27% compared to the end of 2021 equaled to 793.23 MB. It was mainly from the auditor's adjustment in right of use assets calculations. This contract was the company's head office rental contract. It caused the increase in right of use assets, 37.76 MB. Additionally, there's an increase in account receivable, 78.98 MB, accrued revenue, 51.07 MB, which was from revenue recognitions of the Company's major projects, and an increase in prepayment for goods and services, 26.42 MB.

Liabilities

The total liabilities as of 30 June 2022 were 299.43 MB, increased 116.07 MB or 63.30% compared to the end of 2021 which equaled to 183.36 MB. It was due to the increase in account payable 31.38 MB from the purchasing of goods for significant projects such as TPTV with The Secretariat of the Cabinet (“SOC”). Moreover, short-term loans from financial institutions increased by 42.88 MB.

Shareholders’ equity

As of 30 June 2022, the shareholders’ equity was 622.89 MB, increased from the end of 2021 which equaled to 609.87 MB.

Financial Ratio

The important ratios are presented below:

Ratio	As of 30 June 2022	As of 31 December 2021
Liquidity Ratio (Times)	3.11	5.09
Debt to Equity Ratio (Times)	0.48	0.30
Return on Equity (%)	2.12	1.10

Yours Sincerely,

(Mr. Prapat Rathlertkarn)
 Chief Executive Officer