

## Executive Summary

Thailand's economy in the second quarter of 2024 demonstrated signs of expansion, though growth remained uneven across sectors. The tourism industry continues to be the primary growth driver, positively influencing the service sector, employment rates, and private consumption. While exports and overall industrial production have shown improvement, certain industries still face challenges stemming from high inventory levels and declining competitiveness. These economic challenges, particularly the uneven growth and competitiveness issues in some sectors, may affect corporate clients of telecommunications companies, potentially impacting demand for B2B services.

The company's overall performance in the second quarter of 2024 demonstrates resilience in a challenging market environment. Encouraging growth was observed in core internet services and ICT solutions segments. Although the international segment experienced some decline, recovery is expected within the next year.

Compared to Q2 2023, service income increased by 6.0% year-on-year, primarily due to growth in data and internet services including ICT solutions sales and services. However, total revenue decreased by 7.4% due to the absence of a one-time gain of 63.7 million baht from the sale of an investment in an associate recorded in Q2 2023. Net profit decreased by 45.9% year-on-year. However, excluding the one-time gain on the sale of the investment in the associate, net profit grew by 3.5% year-on-year.

Service income (excluding other income) for the first half of 2024 increased by 7.3% year-on-year, driven by strong performance in data and internet services. Due to a one-time gain of 64 million baht from the sale of an investment in an associate recorded in Q2 2023, total revenue for 2024 saw a slight increase of 1.6%. The company continued to expand its customer base in both international and domestic markets, generating more revenue while striving to manage costs. Normalized net profit for the first half of 2024 was 133.1 million baht, an increase of 17.3% year-on-year.

## Financial Summary

### 2Q2024 Performance Overview

#### Revenue

In Q2 2024, service revenue reached Baht 511.2 million, representing 6.0% year-over-year increase and a 0.8% quarter-over-quarter growth. This improvement was driven by higher revenue from both domestic and international service segments, reflecting growing demand for data connectivity, cloud and security services, and ICT solutions to support enterprise digitalization.

Other income decreased to Baht 4.6 million, down 77.4% QoQ due to reduced foreign exchange gains, and 93.9% YoY primarily due to the absence of a one-off gain on sale of investment in an associate (Baht 63.7 million) and lower foreign exchange gains recorded in the previous year.

For the first half of 2024 (6M 2024), total revenue rose to Baht 1,042.8 million, 1.6% YoY increase, mainly attributable to 7.3% growth in service revenue across both domestic and international connectivity services. Other income declined by 68.2% YoY, largely due to the aforementioned one-off gain on sale of investment in an associate of Baht 63.7 million in the previous year.

| Unit : Million Baht                                | Amount         |                |                | Change       |               | Amount         |                | Change        |
|--|----------------|----------------|----------------|--------------|---------------|----------------|----------------|---------------|
|  | Q2/23          | Q1/24          | Q2/24          | (%) QoQ      | (%) YoY       | 6M23           | 6M24           | (%) YoY       |
| <b>Revenue</b>                                     |                |                |                |              |               |                |                |               |
| Service revenue                                    | 482.2          | 506.9          | 511.2          | 0.8%         | 6.0%          | 948.7          | 1,018.0        | 7.3%          |
| Other income                                       | 74.7           | 20.3           | 4.6            | -77.4%       | -93.9%        | 78.0           | 24.8           | -68.2%        |
| <b>Total Revenue</b>                               | <b>557.0</b>   | <b>527.1</b>   | <b>515.7</b>   | <b>-2.2%</b> | <b>-7.4%</b>  | <b>1,026.7</b> | <b>1,042.8</b> | <b>1.6%</b>   |
| Costs of Services and Sales (excl. D&A)            | (215.1)        | (227.4)        | (235.7)        | 3.6%         | 9.6%          | (422.1)        | (463.1)        | 9.7%          |
| Depreciation & Amortization (D&A)                  | (99.3)         | (99.8)         | (94.4)         | -5.4%        | -4.9%         | (196.1)        | (194.2)        | -0.9%         |
| <b>Total Cost of Services and Sales</b>            | <b>(314.4)</b> | <b>(327.2)</b> | <b>(330.1)</b> | <b>0.9%</b>  | <b>5.0%</b>   | <b>(618.1)</b> | <b>(657.3)</b> | <b>6.3%</b>   |
| Service & Administrative Expenses (excl. D&A)      | (81.5)         | (96.3)         | (87.5)         | -9.1%        | 7.4%          | (163.8)        | (183.9)        | 12.3%         |
| Depreciation & Amortization (D&A)                  | (14.1)         | (13.1)         | (13.7)         | 4.7%         | -2.8%         | (28.1)         | (26.8)         | -4.6%         |
| <b>Total Service &amp; Administrative Expenses</b> | <b>(95.6)</b>  | <b>(109.4)</b> | <b>(101.2)</b> | <b>-7.5%</b> | <b>5.9%</b>   | <b>(191.8)</b> | <b>(210.7)</b> | <b>9.8%</b>   |
| <b>Operating Profit /( Loss)</b>                   | <b>146.9</b>   | <b>90.5</b>    | <b>84.4</b>    | <b>-6.7%</b> | <b>-42.6%</b> | <b>216.7</b>   | <b>174.9</b>   | <b>-19.3%</b> |
| Financial Cost                                     | (9.2)          | (8.0)          | (7.8)          | -2.3%        | -15.5%        | (18.7)         | (15.7)         | -16.1%        |
| Income Tax Expenses                                | (10.5)         | (18.3)         | (7.8)          | -57.3%       | -25.7%        | (23.8)         | (26.1)         | 9.8%          |
| <b>Net Profit/(Loss) for the period</b>            | <b>127.3</b>   | <b>64.2</b>    | <b>68.8</b>    | <b>7.1%</b>  | <b>-45.9%</b> | <b>174.2</b>   | <b>133.1</b>   | <b>-23.6%</b> |
| <i>Net Profit/(Loss) Margin</i>                    | <i>22.8%</i>   | <i>12.2%</i>   | <i>13.3%</i>   |              |               | <i>17.0%</i>   | <i>12.8%</i>   |               |
| One-off items (after tax)                          | (60.8)         | 0.0            | 0.0            | 0.0%         | 100.0%        | (60.8)         | 0.0            | 100.0%        |
| <b>Normalized Net Profit/(Loss) for the period</b> | <b>66.5</b>    | <b>64.2</b>    | <b>68.8</b>    | <b>7.1%</b>  | <b>3.5%</b>   | <b>113.4</b>   | <b>133.1</b>   | <b>17.3%</b>  |
| <i>Normalized Net Profit/(Loss) Margin</i>         | <i>13.5%</i>   | <i>12.2%</i>   | <i>13.3%</i>   |              |               | <i>11.8%</i>   | <i>12.8%</i>   |               |

| EBITDA (Unit : Million Baht)      | Amount       |              |              | Change       |               | Amount       |              | Change        |
|-----------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|
|                                   | Q2/23        | Q1/24        | Q2/24        | (%) QoQ      | (%) YoY       | 6M23         | 6M24         | (%) YoY       |
| <b>EBITDA</b>                     |              |              |              |              |               |              |              |               |
| Operating Profit /( Loss)         | 146.9        | 90.5         | 84.4         | -6.7%        | -42.6%        | 216.7        | 174.9        | -19.3%        |
| Depreciation & Amortization (D&A) | 113.4        | 112.9        | 108.1        | -4.2%        | -4.7%         | 224.1        | 221.0        | -1.4%         |
| <b>EBITDA</b>                     | <b>260.4</b> | <b>203.4</b> | <b>192.5</b> | <b>-5.3%</b> | <b>-26.1%</b> | <b>440.8</b> | <b>395.9</b> | <b>-10.2%</b> |
| <i>EBITDA Margin</i>              | <i>46.7%</i> | <i>38.6%</i> | <i>37.3%</i> |              |               | <i>42.9%</i> | <i>38.0%</i> |               |
| One-off items (before tax)        | (63.7)       | 0.0          | 0.0          | 0.0%         | 100.0%        | (63.7)       | 0.0          | 100.0%        |
| <b>Normalized EBITDA</b>          | <b>196.7</b> | <b>203.4</b> | <b>192.5</b> | <b>-5.3%</b> | <b>-2.1%</b>  | <b>377.1</b> | <b>395.9</b> | <b>5.0%</b>   |
| <i>Normalized EBITDA Margin</i>   | <i>39.9%</i> | <i>38.6%</i> | <i>37.3%</i> |              |               | <i>39.2%</i> | <i>38.0%</i> |               |

### Costs of Services and Sales (COSS)

In Q2 2024, Costs of Services and Sales amounted to Baht 330.1 million, representing a 5.0% YoY. Increase 0.9% QoQ rise. This increase was primarily attributed to higher network connection expenses from lease line rental on domestic and international services, supporting increased data connectivity usage, Increased employee expenses and higher cost of sales. These increases were partially offset by reduced depreciation expense for network equipment.

For the first half of 2024 (6M 2024), Costs of Services and Sales reached Baht 657.3 million, 6.3% YoY increase. This growth was mainly due to higher network connection expenses, increased employee expenses and higher cost of sales. These increases were partially mitigated by lower depreciation expense for network equipment.

### Service & Administrative (S&A) Expenses

In Q2 2024, Service & Administrative expenses totalled Baht 101.2 million, representing 5.9% YoY increase. This rise was primarily attributed to higher employee expenses, increased selling expenses greater maintenance costs for office equipment

However, compared to the previous quarter (QoQ), these expenses decreased by 7.5%, mainly due to lower employee-related costs.

For the first half of 2024 (6M 2024), Service & Administrative expenses amounted to Baht 210.7 million, marking 9.8% YoY increase. This growth was primarily driven by overall higher employee expenses and increased maintenance costs for office equipment

### EBITDA and Net Profit

EBITDA closed at Baht 192.5 million, 26.1% YoY decrease. This decline was primarily due to the absence of a one-off gain on sale of investment in an associate recorded in the previous year. Higher costs of services and sales and increased service & administrative expenses. Excluding the one-off item, EBITDA decreased by 2.1% YoY. Compared to the previous quarter, EBITDA fell by 5.3%, mainly due to lower foreign exchange gains. Net Profit was Baht 68.8 million, down 45.9% YoY, primarily due to the absence of the one-off gain on sale of investment in an associate. Excluding this one-off item, the normalized Net Profit increased by 3.5% YoY and 7.1% QoQ, driven by growth in service income, partially offset by higher service and administrative expenses and income tax.

For the first half of 2024 (6M 2024), EBITDA and Net Profit reached Baht 395.9 million and Baht 133.1 million respectively, benefiting from growth in service revenue. However, compared to the same period last year, EBITDA decreased by 10.2%, Net Profit fell by 23.6%. These YoY decreases were primarily

due to the one-off gain on sale of investment in an associate recorded in the previous year. Excluding this one-off item. Normalized EBITDA increased by 5.0% YoY and Normalized Net Profit rose by 17.3% YoY

### Statement of Financial Position and Cashflows

| Unit : Million Baht                               | 31-Dec-23      |               | 30-Jun-24      |               | Change        |               |
|---|----------------|---------------|----------------|---------------|---------------|---------------|
|   | Amount         | %             | Amount         | %             | Amount        | (%) YoY       |
| <b>Assets</b>                                     |                |               |                |               |               |               |
| Cash and cash equivalents                         | 400.0          | 9.4%          | 262.9          | 6.0%          | -137.1        | -34.3%        |
| Trade and other account receivables               | 315.0          | 7.4%          | 308.5          | 7.0%          | -6.5          | -2.1%         |
| Other current assets                              | 53.9           | 1.3%          | 72.6           | 1.6%          | 18.6          | 34.5%         |
| <b>Total current assets</b>                       | <b>768.9</b>   | <b>18.1%</b>  | <b>643.9</b>   | <b>14.6%</b>  | <b>-125.0</b> | <b>-16.3%</b> |
| Network equipment and PPE                         | 3,217.9        | 75.8%         | 3,521.3        | 79.9%         | 303.4         | 9.4%          |
| Other non-current assets                          | 258.1          | 6.1%          | 241.9          | 5.5%          | -16.2         | -6.3%         |
| <b>Total non-current assets</b>                   | <b>3,475.9</b> | <b>81.9%</b>  | <b>3,763.2</b> | <b>85.4%</b>  | <b>287.3</b>  | <b>8.3%</b>   |
| <b>Total assets</b>                               | <b>4,244.9</b> | <b>100.0%</b> | <b>4,407.1</b> | <b>100.0%</b> | <b>162.2</b>  | <b>3.8%</b>   |
| <b>Liabilities and shareholders' equity</b>       |                |               |                |               |               |               |
| Trade payables                                    | 329.2          | 7.8%          | 590.5          | 13.4%         | 261.3         | 79.4%         |
| Current portion of long-term/ short-term loans    | 291.9          | 6.9%          | 292.0          | 6.6%          | 0.1           | 0.0%          |
| Other current liabilities                         | 116.4          | 2.7%          | 108.8          | 2.5%          | -7.5          | -6.5%         |
| <b>Total current liabilities</b>                  | <b>737.5</b>   | <b>17.4%</b>  | <b>991.3</b>   | <b>22.5%</b>  | <b>253.8</b>  | <b>34.4%</b>  |
| Long-term loans                                   | 446.4          | 10.5%         | 300.4          | 6.8%          | -146.0        | -32.7%        |
| Other non-current liabilities                     | 152.5          | 3.6%          | 137.1          | 3.1%          | -15.4         | -10.1%        |
| <b>Total non-current liabilities</b>              | <b>598.8</b>   | <b>14.1%</b>  | <b>437.5</b>   | <b>9.9%</b>   | <b>-161.4</b> | <b>-27.0%</b> |
| <b>Total liabilities</b>                          | <b>1,336.3</b> | <b>31.5%</b>  | <b>1,428.8</b> | <b>32.4%</b>  | <b>92.4</b>   | <b>6.9%</b>   |
| Share capital and share premium                   | 1,818.0        | 42.8%         | 1,818.0        | 41.3%         | 0.0           | 0.0%          |
| Retained earnings                                 | 1,064.1        | 25.1%         | 1,133.9        | 25.7%         | 69.8          | 6.6%          |
| Other components of equity                        | 26.3           | 0.6%          | 26.3           | 0.6%          | 0.0           | 0.0%          |
| <b>Shareholders' Equities</b>                     | <b>2,908.5</b> | <b>68.5%</b>  | <b>2,978.3</b> | <b>67.6%</b>  | <b>69.8</b>   | <b>2.4%</b>   |
| <b>Total liabilities and shareholders' equity</b> | <b>4,244.9</b> | <b>100.0%</b> | <b>4,407.1</b> | <b>100.0%</b> | <b>162.2</b>  | <b>3.8%</b>   |

| Unit : Million Baht                        | As of 30-Jun-23 | As of 30-Jun-24 |
|--|-----------------|-----------------|
| Cash flows from operating activities       | 384.1           | 388.6           |
| Cash flows used in investing activities    | (106.0)         | (263.2)         |
| <b>Free cash flows</b>                     | <b>278.1</b>    | <b>125.4</b>    |
| Cash flows used in financial activities    | (92.4)          | (263.7)         |
| Net change in cash                         | 185.7           | (138.3)         |
| Effect of exchange rate changes            | 5.1             | 1.1             |
| <b>Beginning Cash and Cash Equivalents</b> | <b>199.5</b>    | <b>400.0</b>    |
| <b>Ending Cash and Cash Equivalents</b>    | <b>390.4</b>    | <b>262.9</b>    |

As of June 30, 2024, total assets amounted to Baht 4,407.1 million, representing a 3.8% increase from December 31, 2023. This growth was primarily driven by 34.5% increase in other current assets and 9.4% rise in network equipment and property, plant, and equipment (PPE) assets

Cash and cash equivalents stood at Baht 262.9 million, 34.3% decrease from December 31, 2023. This reduction was primarily due to funds being utilized for normal business operations.

Network equipment and Property, Plant, and Equipment (PPE) assets totaled Baht 3,521.3 million, 9.4% increase from December 31, 2023. This growth was primarily driven by investments in network equipment, partially offset by depreciation expenses.

Total liabilities amounted to Baht 1,428.8 million, representing 6.9% increase from December 31, 2023. This rise was primarily attributable to 79.4% increase in accounts payable, resulting from investments in network equipment and normal business operations.

Total shareholders' equity reached Baht 2,978.3 million, 2.4% increase from December 31, 2023. This growth was driven by positive net operating results during the period, partially offset by dividend payments to shareholders.

As of June 30, 2024, the company's financial ratios were as follows:

Debt to Equity (D/E) ratio: 0.48x (compared to 0.46x as of December 31, 2023)

Debt to EBITDA ratio: 1.80x (compared to 1.66x as of December 31, 2023)

## 2024 Outlook

As we enter the second half of 2024, the company's business outlook appears promising, bolstered by positive economic indicators and industry trends. The Thai economy shows signs of recovery, supported by a synchronous global economic upswing. Key factors contributing to this optimistic outlook include interest rate cuts in developed economies, expected to stimulate investment and consumer spending, and accelerated budget disbursement by the Thai government, injecting much-needed liquidity into the economy. These factors are anticipated to create a favorable environment for growth across various sectors, including telecommunications.

The company's long-term vision and strategic positioning emphasize a commitment to organic growth through domestic market expansion and sustained international development. It aims to capture a larger market share and broaden its customer base. The company plans to invest more on regional cross border connectivity to prepare for future influx of data centers in Thailand and in turn will enhance more data connectivity demand within region.

As a trusted and esteemed provider of telecommunications and IT infrastructure services, the company remains steadfast in its commitment to delivering optimal outcomes for both customers and shareholders. This dedication to excellence will continue to be a cornerstone of operations as the company navigates the opportunities and challenges of the second half of 2024, ensuring positive results for the year as a whole.