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Management's Discussion and Analysis for the First Quarter Ended March 31, 2022

1. Overview of the Interlink Group

Interlink Communication Public Company Limited: ILINK has operated for 35 years till now by being a pioneer of introducing and distributing LAN cable technology in Thailand 30 years ago. With the vision as well as strong intention to bring technology to develop the country, the founder of Interlink Group put a great effort in importing and distributing cabling products. ILINK mainly focuses on B2B transactions whose partners are ICT dealer, IT system integrator, Contractor, and Electrical Shop. Other than the head office in Bangkok, the company has 4 more branches in other main parts of Thailand including Chiang Mai in the northern region, Song Khla in the southern region, Khon Kaen in the northeastern region, and Rayong in the eastern region. Moreover, the Distribution Center and R&D Center have been additionally built to serve customers high-quality products all over the country on a timely manner.

Currently, ILINK has more than 20,000 dealers selling our products to the end users who are from both public and private sectors. Furthermore, the company starts expanding the market of distribution business to several neighboring countries such as Lao People's Democratic Republic, Republic of the Union of Myanmar, and Kingdom of Cambodia. In the future, the company will continuously tap into the markets of other Asian countries.

In order to promote sustainable growth for business, new executives took an advantage of being the biggest cabling importer and distributor to establish a subsidiary company named Interlink Telecom Public Company Limited: ITEL focusing on telecom business. ITEL has installed fiber optic network along with telegraph poles of the State Railway of Thailand as well as along with the road through the electricity poles all over Thailand. Moreover, ITEL has been licensed through NBTC to render Data Service over installed fiber optic network and also build Data Center to offer better services with Service Level Agreement (SLA) 99.99% capturing customers such as Mobile and Internet Operators, Banks and Financial institutions, and Business with Branch Offices.

Gaining strong reliability from the government sectors together with having an own professional engineering team, the company diversified engineering business bidding on the turnkey projects of Fiber Optic, Submarine Cable, Underground Cable, High Voltage Transmission Line, Substation etc. This business is operated under another subsidiary company named Interlink Power and Engineering Company Limited: IPOW and mainly works on the huge projects from the government sectors.

In summary, the operation results of ILINK, the parent company, have been reflected by 3 main businesses which are 1. Distribution Business that is the pioneer continuously generates income and has consistent profits 2. Telecom Business that rapidly grow and did the spin off creating an independent entity to be listed on the Stock Exchange of Thailand (SET) under the name "ITEL" and 3. Engineering Business where most projects in the company's expertise are possessed by the government sectors.



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2. Overview of the Interlink Group's Operation Results

Total revenues of Interlink Communication Public Company Limited: ILINK in Q1/2022 was 1,427.52 Million Baht, an increase of 6.78% compared to 1,336.85 Million Baht in Q1/2021. The growth of total revenues was from the sales of Distribution Business increase by 20.31% while Telecom Business has a 17.51% increase in service revenue. Meanwhile, the Engineering Business has a 40.91% decrease in revenue recognition, which was in line with the nature of the business that recognized revenue based on the success of different tasks each period, as shown in the table below.

Revenues	Quarter 1/2022		Quarter 1/2021		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Distribution Business	676.31	47.38	562.13	42.05	114.18	20.31
Revenues from Telecom Business	582.88	40.83	496.03	37.10	86.85	17.51
Revenues from Engineering Business	155.95	10.92	263.91	19.74	(107.96)	(40.91)
Other Revenues	12.38	0.87	14.78	1.11	(2.40)	(16.21)
Total Revenues	1,427.52	100.00	1,336.85	100.00	90.67	6.78

In this regard, the Company's Profit for Q1/2022 amounted to 116.19 million baht, an increase of 24.45% compared to 93.37million baht in Q1/2021, while the company have net profit (Contribute to Owner of the Parent Company) in the amount of 84.67 million baht, a growth of 13.24% compared to 74.76million baht in Q1/2021, as shown in the table below.

Net Profit	Quarter 1/2022		Quarter 1/2021		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit for the period	116.19	8.14	93.37	6.98	22.83	24.45
Profit Contribution						
Owner of the Parent Company	84.67	5.93	74.76	5.59	9.90	13.24
Non-Controlling Interests (NCI)	31.53	2.21	18.60	1.39	12.92	69.47

3. Operation Results by Business

Distribution Business

Revenues from distribution business result from importing and distributing cabling products, networking equipment, and racks. The company's revenue from sales in Q1/2022 amounted to 676.31 Million Baht, an increase of 20.31% when compared to 562.13 Million Baht in in Q1/2021. This period, the revenue accounted for 47.38% of total revenue.



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For the significant growth of sales in this period, there are supporting factors from the change in infrastructure technology. Especially the cable equipment, which ILINK has been the market leader in Thailand for more than 30 years, causing customers in many sectors to have a need to improve the system through the purchase of new equipment. In addition, the Company found that the product groups with outstanding sales growth in this period are Fiber Optic Cable, Solar Cable and UTP (LAN Cable), which grew 49.53%, 39.63% and 25.05% from the same period of the previous year, respectively.

In this regard, The Company's cost of sales in Q1/2022 amounted to 520.91 million baht, an increase of 24.42% compared to 418.65 million baht in Q1/2021, and the gross profit margin in this period was 22.98% as a result of the trade fair "INTERLINK EXPO 2022" that is held annually from February to March and from July to August. Therefore, as expected in the 1st quarter and the 3rd quarter, the gross profit margin of this business will decline and has a normal upward trend in the 2nd and 4th quarters of every year.

Telecom Business

Telecom business generates revenue from the subsidiary company; ITEL, which provides fiber optic network rental services through various forms, such as Interlink MPLS IP-VPN service, Interlink Dark Fiber service, and Interlink IPLC service, including data center rental service. Both of these services are part of recurring revenue and the last is the revenue from network installation services. The Company's revenue from Telecom business in Q1/2022 amounted to 582.88 million baht, an increase of 17.51%. Compared to 496.03 million baht in Q1/2021, this period accounted for 40.83% of total revenue.

The main proportion of revenue recognized in Q1/2022 was revenue from network rental services of Baht 336.60 million, an increase of 12.45% compared to Baht 299.32 million in Q1/2021 because the Company Recognized more revenue from high-speed internet projects in remote areas (USO Phase 2) following the delivery of the work including new customers who come to use the service and the expansion of existing customers' branches during the period The second proportion of revenue is the revenue from network installation services of 225.06 million baht, an increase of 27.98% compared to 175.85 million baht in the first quarter of 2021. Major installation projects at the Company Recognized revenue in this period is a project to procure an operating vehicle and install an unmanned aerial vehicle detection and control system by a government agency in the amount of 86.53 million baht. The project to install solar cells for base stations nationwide (except Bangkok) of a telecommunication service provider in the amount of 50.14 million baht, and a contract for repair and maintenance of the fiber optic cable network of a government agency in the amount of 14.31 million baht.

In this regard, the Company's cost of services in Q1/2022 amounted to 453.86 million baht, an increase of 19.95% compared to 378.38 million baht in Q1/2021. The main proportion of costs recognized in Q1/2022 is the costs of network rental service and the cost of network installation services, which accounted for 55.08% and 41.60% of the total cost of telecom services, respectively.



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Engineering Business

Engineering business generates revenue from the subsidiary company; IPOWER, which operates electrical engineering projects and other special projects. arising under the employment contract focusing on the construction of high voltage transmission lines Construction or renovation of substations Submarine cable installation work and underground cable laying works which is the work that the company High expertise The company had revenue from engineering business in Q1/2022 amounted to 155.95 million baht, a decrease of 40.91% when compared to 263.91 million baht in Q1/2021 due to the closure and delivery of small projects. However, the Company expects to close and deliver more medium to large projects in the coming periods. For this period, revenues accounted for 10.92% of total revenue.

The main proportion of revenue recognized in Q1/2022 came from major projects on hand, namely 1) the construction of high voltage transmission lines. Lamphura Power Station - Yan Ta Khao Power Station, Trang Province and Pua Power Station - Thung Chang Power Station, Nan Province of the Provincial Electricity Authority, totaling 50.50 million baht 2) CC4 Project or the purchase and installation of an automatic passenger transport system (APM) of the airport Thailand in the amount of 31.31 million baht and 3) the submarine cable construction project of 33 KV, Koh Panyee, Phang Nga Province of the Provincial Electricity Authority, amounting to 30.38 million baht.

The Company's cost from engineering business in Q1/2022 amounted to 152.68 million baht, a decrease of 39.20% compared to 251.12 million baht in Q1/2021 while the Company's cost from the engineering business with other (Profit) loss of this business amounted to 138.08 million baht, a decrease of 45.85% when compared to 255.01 million baht in Q1/2021. Therefore, the gross profit margin of the engineering business in this period improved from 3.37% to 8.65%, while the finance cost of this business decreases 97.83%.

4. Overview of the Interlink Group's Financial Position

Assets

As of March 31, 2022, the Company had total assets of 12,614.81 million baht, an increase of 11.20% compared to 11,344.32 million baht as of December 31, 2021. The Company's major assets were trade accounts receivable and other receivables, accrued income from engineering and network services, and property, plant and equipment. As of the end of Q1/2022, the proportions of such important assets to total assets were 9.96%, 22.52% and 33.71%, respectively.



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1) Work in progress, increased from Smart CCTV project, Solar Cell installation project of the subsidiary company; ITEL

2) Accrued income from network services Increased from the provision of Internet projects in marginal areas (USO Phase 1) and Internet projects in remote areas (USO Phase 2) of the subsidiary company; ITEL

Liabilities

As of March 31, 2022, the Company had total liabilities of 7,262.10 million baht, an increase of 12.09% compared to 6,478.96 million baht as of December 31, 2021. This increase was a result of the sale of real estate and movable properties. To the Real Estate Investment Trust and the Leasehold Real Estate KTBST Mix in which the subsidiary ITEL received cash payment including VAT in the amount of 750.00 million baht, resulting in financial liabilities under the lease agreement with the trust.

Shareholders' Equity

As of March 31, 2022, the Company had total shareholders' equity of 5,352.71 million baht, an increase of 10.02% compared to 4,865.36 million baht as of December 31, 2021. This increase was a result of advance payments for shares of the subsidiary company; ITEL, which is the receipt of payment from the exercise of the right of ITEL-W3 in the amount of 35.01 million units on March 31, 2022. The registration with the Ministry of Commerce was completed on April 19, 2022 and will be recognized as the issued and fully paid capital and share premium in the second quarter of 2022.

5. Important Financial Ratios

Debt-to-Equity Ratio

The debt to equity ratio at the end of Q1/2022 was 1.36 times, an increase of 2.26% from the end of 2021 when the debt to equity ratio was 1.33 times.

6. Analysis of Return and Stock Price

Return on Equity

The Return on Equity (ROE) at the end of Q1/2022 was 9.10%, a decrease of 17.20% from the end of 2021 with the Return on Equity (ROE) of 10.99%.

Return on Asset

Return on Assets (ROA) at the end of Q1/2022 was 3.88%, a decrease of 11.21% from year-end 2021 with a Return on Assets (ROA) of 4.37%.



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Stock Price

The share price as of March 31, 2022 was 9.15 baht, compared to at the end of 2021 was 7.70 baht. The share price rose 1.45 baht or accounted for an increase of 18.83%.

P/E Ratio

P/E Ratio as of March 31, 2022 was 14.09 times, compared to at the end of 2021 was 17.00 times. P/E Ratio decreased by 2.91 times, or a decrease of 17.12%.

Please be informed accordingly.



Yours sincerely

(Mr. Sombat Anuntarumporn)

Chairman