



(Translation)

LTO-2022-0150

10 August 2022

Subject: Submission of the Management Discussion and Analysis based on
the Interim Financial Statements for the Three-Month period ended 30 June 2022

Attention: The President of the Stock Exchange of Thailand

Information and communication Networks Public Company limited (" Company")
held the Board of Directors' Meeting No. 4/2022 on 10 August 2022. The Meeting approved the
interim financial statements for the three-month and six-month period ended 30 June 2022,
which were reviewed by the Company's auditor.

We would like to submit the Management Discussion and Analysis based on the
financial statements for the three-month 2022 period ended 30 June 2022.

Please be informed accordingly.

Sincerely yours,

(Mr. Chanachai kulnoppaleark)

Chief Financial Officer

Executive Summary

The 2nd quarter operating results are still affected by the ongoing outbreak of the Coronavirus Disease 2019 or COVID-19. As a result, the implementation and delivery of the work that must be considered for approval of the existing project and the new project were delayed later than the specified time, and as a result of the lockdown in China, Equipment suppliers were unable to schedule the exact delivery timeline and also effected the consideration of signing new contracts, which ICN has adjusted operational plans between customers and business partners to prepare in advance to suit the next situation. Moreover, ICN has prepared project cost prevention to prevent foreign exchange rate risk. And after considering the overall situation, ICN remains confident that the aforementioned impacts will adjust to a better direction in the coming quarters.

Considering the performance in 2nd quarter of 2022, the Company reported its total revenue at 340.11 million THB categorized into sales and services revenue at 339.97 million THB and other revenues at 0.14 million THB compared to total revenue of 465.74 million THB in the same period of 2021. The main factor of the decrease in sales and services revenue in this quarter was the delay in the approval of each project which were affected by the factors mentioned above. Its cost of sales and expenses were at 290.19 million THB or 85.32% of total revenue in Q2/2022 and at 420.83 million THB or 90.36% of total revenue in Q2/2021. In term of net profit, it was equivalent to 39.71 million THB or 11.68 % of total revenue in Q2/2022 when compared with the same period of last year was equivalent to 35.97 million THB or 7.72% of total revenue, showing an increase by 3.75 million THB, accounted for 10.41% resulted from well managing cost of project.

With reference to the issuance of warrants to purchase ordinary shares of ICN to the existing shareholders of the Company ("ICN-W1"), the warrant holders have exercised their rights for the first round on March 31, 2022 that It turns out that there are 102,525,315 units of remaining warrants left. The remaining warrant holders will be able to exercise their rights the 2nd round on September 30, 2022. The company will proceed these as working capital for business operations.

1. Business Performance Analysis

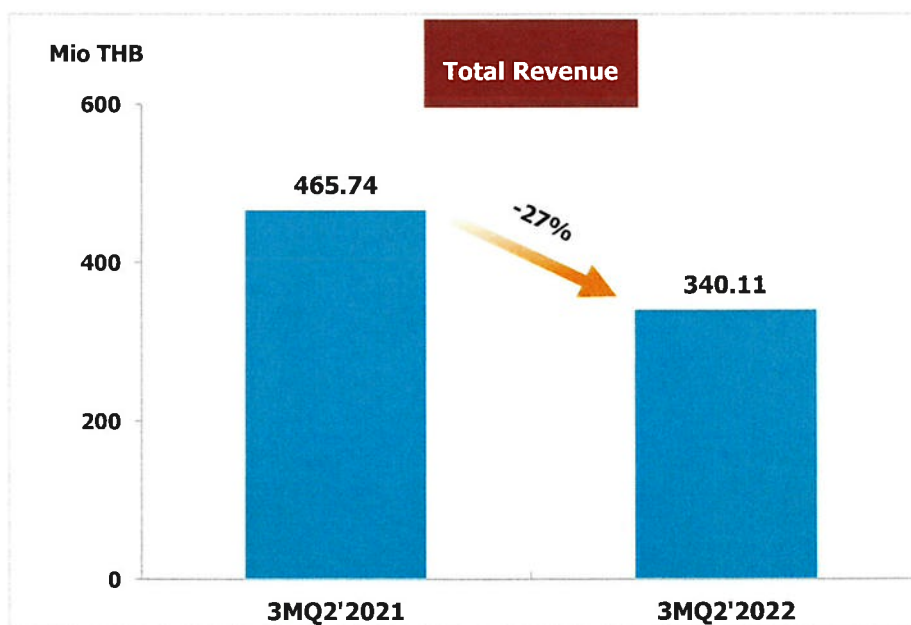
1.1 Revenue

For the second quarter of 2021 and of 2022 the Company reported its total revenue of 465.74 million THB and 340.11 million THB respectively with the decrease by 26.97% compared to the same period of last year caused from the delay in the approval of each project which were affected by the factors mentioned above. Major revenues were recognized from the projects; for instance, Maintenance service of Equipment and Fiber Optic Cable from National Broadcasting and Telecommunication Commission in the border village of Zone C+ for the area of North 1, North 2 and Northeast. or "MA USO project" and Expansion project of Network Monitoring Tool and Microwave project and Expansion project of DWDM Backbone Network Route Bangkok-Southern Region, etc.

Type	Consolidated		Consolidated	
	Apr - Jun 2021		Apr - Jun 2022	
	MB	%	MB	%
1. Sales and Services Revenue	465.64	99.98	339.97	99.96
2. Other Revenue*	0.10	0.02	0.14	0.04
Total	465.74	100.00	340.11	100.00

Remarks *Other Revenue comprises of interest income, etc.

Total revenue can be categorized into sales and services revenue and other revenue, whereby in the second quarter of 2021 and 2022, sales and services revenue were accounted for 99.98% and 99.96% of total revenue and other revenue was equivalent to 0.02% and 0.04% respectively.

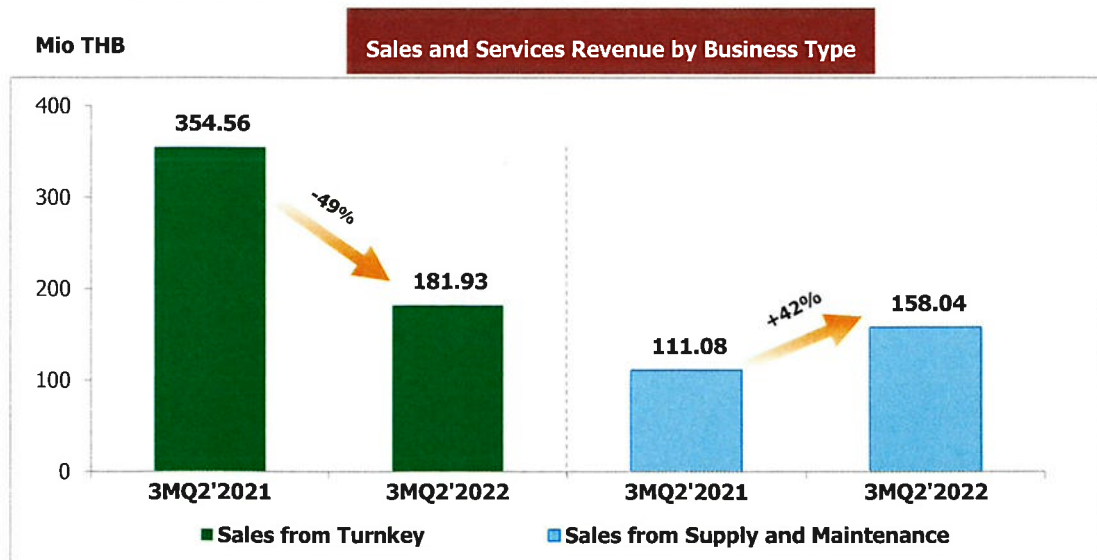


Sales Revenue

Sales revenue in the second quarter of 2022 consisted of turnkey business including telecommunication system and construction, supply and maintenance.

Type	Consolidated		Consolidated	
	Apr – Jun 2021		Apr - Jun 2022	
	MB	%	MB	%
Sales and Services Revenue				
Sales Revenue from Turnkey Business	354.56	76.14	181.93	53.51
- Sales Revenue from Telecommunication System	354.55	76.14	181.93	53.51
Sales Revenue from Supply and Maintenance	111.08	23.86	158.04	46.49
- Sales Revenue from Supply of Telecommunication System	12.49	2.68	1.43	0.42
- Sales Revenue from Maintenance of Telecommunication System	98.59	21.18	156.61	46.07
Total Sales Revenue	465.64	100.00	339.97	100.00

During the second quarter of 2022, sales revenue from turnkey business and supply and maintenance were reported at 181.93 million THB and 158.04 million THB or proportionately at 53.51% and 46.49% of total sales and services revenue respectively. Sales revenue from turnkey business showed a decrease by 48.69% because certain major projects have been deferred and some projects are under process of which their revenues shall be recognized in the next periods. In term of revenue from supply and maintenance, it showed an increase by 42.27% because the project bases for maintenance have been expanded in comparison to the same period of previous year.



Other Revenue

In the second quarter of 2021 and 2022, the Company reported its other revenue at 0.10 million THB and 0.14 million THB respectively, equivalent to 0.02% and 0.04% of total revenue and the major item was interest income.

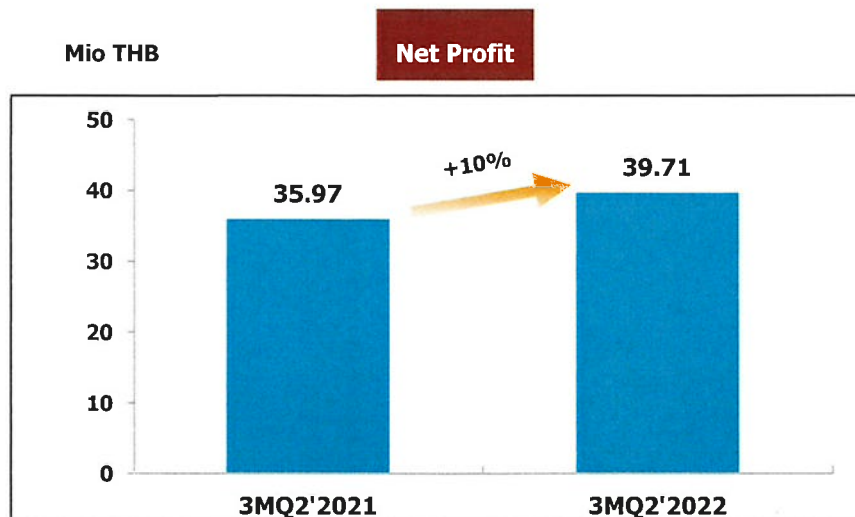
1.2 Cost of Sales and Expenses

Major costs of the Company composed of cost of sales, selling expenses, administrative expenses and interest expense. In the second quarter of 2021 and 2022, the Company showed its cost of sales and expenses at 420.83 million THB and 290.19 million THB with the proportion of 90.36% and 85.32% of total revenue respectively.

Cost of Sales and Expenses	Consolidated		Consolidated	
	Apr – Jun 2021		Apr - Jun 2022	
	MB	%	MB	%
Cost of Sales	397.90	85.43	266.87	78.47
Selling Expenses	9.90	2.13	8.38	2.46
Administrative Expenses	12.79	2.75	14.70	4.32
Finance Cost	0.24	0.05	0.24	0.07
Total Cost of Sales and Expenses	420.83	90.36	290.19	85.32
Total Revenue	465.74	100.00	340.11	100.00

1.3 Net Profit

As a result of overall business performance, the Company reported its net profit for the second quarter of 2021 and 2022 at 35.97 million THB and 39.71 million THB respectively, accounted for 7.72% and 11.68% of total revenue.



2 Financial Status

2.1 Assets

At the end of 2021 and of Q2/2022, the Company reported their total assets of 1,041.90 million THB and 1,211.75 million THB respectively. The major asset items are cash and cash equivalents, trade and other current receivables, and contract assets (former name: unbilled receivables) at the end of 2021, proportionately at 12.11%, 21.12% and 41.88% of total assets respectively and in Q2/2022 proportionately at 11.15%, 26.32% and 44.56% of total assets. Total current assets are accounted for 74.29% for the year end 2021 and 74.06% for Q2/2022 to total assets.

With reference to the major asset items, a significant portion remained at trade and other current receivables and contract assets, which reached at 656.35 million THB equivalent to 63.00% of total assets at the end of 2021 and reached at 858.86 million THB equivalent to 70.88% of total assets at the end of Q2/2022. It derived mostly from big-sized projects such as USO Phase II project, etc. Due to the ongoing outbreak of the Coronavirus Disease 2019 or COVID-19, the project operations have been deferred leading to the contract amendment process by the customers. However, the Company has been remaining in closed contact with our customers in order to accelerate the bill placement and collection. However, our customers are government sector and state-enterprise sector whereby the default rate is very limited.

2.2 Sources of Fund

Liabilities

The Company reported their total liabilities at 369.22 million THB at the end of 2021 and 451.50 million THB at the end of Q2/2022 and the major items are trade and other current payables and long-term loans from financial institutions with the proportion in Q2/2022 of 34.11% and 18.91% of total liabilities respectively. These items are regarded as working capital for running the business. And trade and other current payables could be depicted as per the table below:

Trade and Other Current Payables	As at 31 Dec 2021		As at 30 Jun 2022	
	MB	%	MB	%
Trade Payables	72.86	77.84	132.91	86.31
Other Current Payables	1.65	1.76	5.80	3.77
Trade Payables - Retention	2.07	2.21	1.19	0.77
Accrued Expenses	17.02	18.19	14.09	9.15
Total Trade and Other Payables	93.60	100.00	153.99	100.00

The major trade and other current payables were trade payables, mostly for equipment, service and sub-contractor costs in projects.

Most of the liabilities were current liabilities with its proportion as at 2021 and at Q2 2022 at 63.19% and 68.29% of total liabilities respectively.

Shareholders' Equity

The shareholders' equity was in the amount of 672.69 million THB at the year end of 2021 and amount of 760.24 million THB at the end of Q2/2022 which has increased from exercising the warrant (ICN-W1) in the amount of 122.47 million THB and corresponding to the business result of which the legal reserve is accounted for at the total amount of 28.20 million THB and the rest of unappropriated retained earnings was 205.66 million THB after deducting dividend payment amounting to 89.98 million THB in Q2/2022.

Funding Structure

D/E ratio of the Company was at 0.55 and 0.59 at the end of 2021 and of Q2/2022 respectively.