

(Translation)

LTO-2023-0100

10 May 2023

Subject: Submission of the Management Discussion and Analysis based on
the Interim Financial Statements for the Three-Month Period ended 31 March 2023

Attention: The President of the Stock Exchange of Thailand

Information and communication Networks Public Company limited (" Company")
held the Board of Directors' Meeting No. 2/2023 on 10 May 2023. The Meeting approved the
interim financial statements for the three-month period ended 31 March 2023, which were
reviewed by the Company's auditor.

We would like to submit the Management Discussion and Analysis based on the interim
financial statements for the three-month ended 31 March 2023.

Please be informed accordingly.

Sincerely yours,



(Mr. Chanachai kulnoppaleark)

Chief Financial Officer

Executive Summary

The 1st quarter of 2023 operating results of the company recognized sales and services revenue and also net profit more than the same period of the prior year caused from the company could recognize a part of sales revenue from the high value projects such as the Contract of Procurement project to upgrade and expand for Online Charging System (OCS)/Charging Function (CHF) Equipment with the total value of 152.81 million THB the period of completion within 150 days, and the Contract of Expansion Project for DWDM Network Capacity Expansion from Central Area to Submarine Station (CLS2) with the total value of 166.25 million THB Baht the period of completion within 180 days with National Telecommunication Public Company Limited, etc.

Considering the performance in 1st quarter of 2023, the Company reported its total revenue at 417.01 million THB categorized into sales and services revenue at 416.68 million THB and other revenues at 0.34 million THB compared to total revenue of 285.53 million THB in the same period of 2022, showing an increase by 131.48 million THB, accounted for 46.05%. The increase in sales and services revenue in this quarter were affected by the company could get major high value contracts mentioned above. Its cost of sales and expenses were at 377.46 million THB or 90.52% of total revenue in Q1/2023 and at 264.18 million THB or 92.52% of total revenue in Q1/2022. In term of net profit, it was equivalent to 31.46 million THB or 7.54% of total revenue in Q1/2023 when compared with the same period of last year was equivalent to 16.79 million THB, showing an increase by 14.66 million THB, accounted for 87.32%.

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 1st round on March 31, 2022, the 2nd on September 30, 2022 and the 3rd on March 31, 2023 that It turns out that there are 44,948,257 units of remaining warrants left. The remaining warrant holders will be able to exercise their rights the final round on November 30, 2023. The company will proceed these as working capital for business operations.

1. Business Performance Analysis

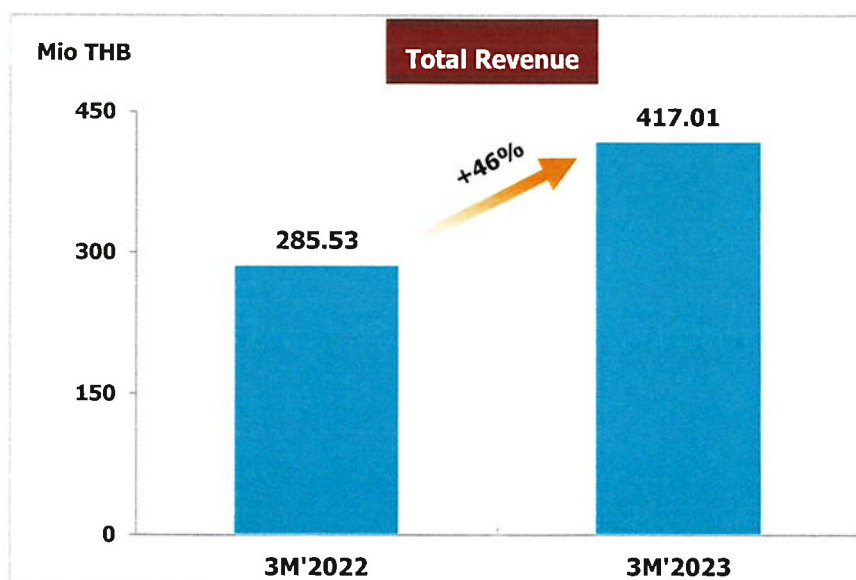
1.1 Revenue

For the first three months of 2022 and of 2023 the Company reported its total revenue of 285.53 million THB and 417.01 million THB respectively with the increase by 46.05% compared to the same period of last year. Major revenues were recognized from the projects; for instance, Expansion Project for DWDM Network Capacity Expansion from Central Area to Submarine Station (CLS2) Project or “DWDM project” Procurement project to upgrade and expand for Online Charging System (OCS)/Charging Function (CHF) Project or “OCS project” Project of providing system and equipment for 5G Smart city in the EEC areas, etc.

Type	Consolidated		Consolidated	
	Jan. - Mar. 2022		Jan. - Mar. 2023	
	MB	%	MB	%
1. Sales Revenue	285.45	99.97	416.68	99.92
2. Other Revenue*	0.08	0.03	0.33	0.08
Total	285.53	100.00	417.01	100.00

Remarks *Other Revenue comprises of interest income, etc.

Total revenue can be categorized into sales revenue and other revenue, whereby the first three months of 2022 and 2023, sales revenue was accounted for 99.97% and 99.92% of total revenue and other revenue was equivalent to 0.03% and 0.08% respectively.



Sales Revenue

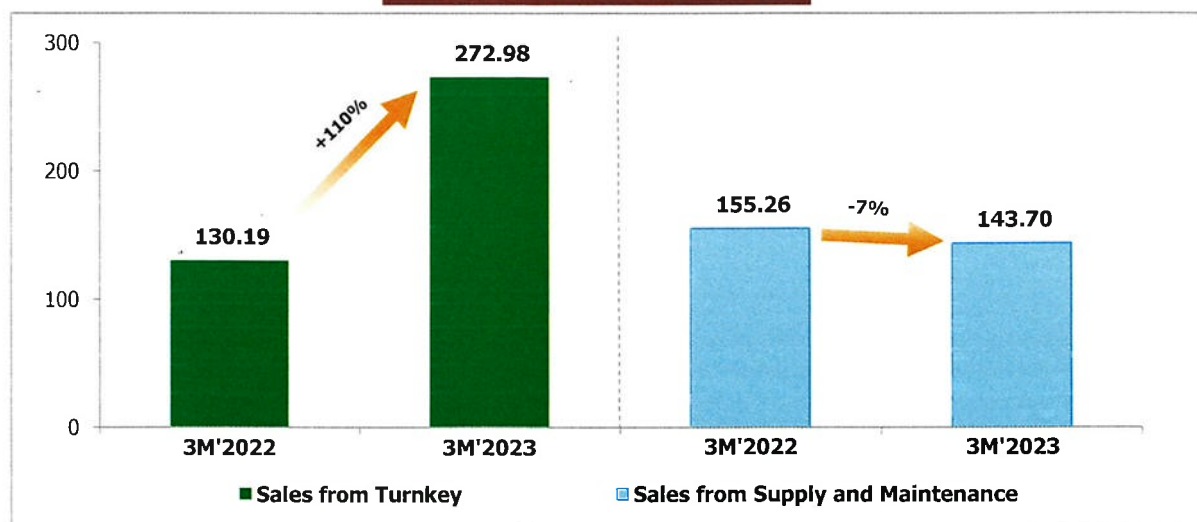
Sales revenue in the first three months of 2023 consisted of turnkey business including telecommunication system, supply and maintenance.

Type	Consolidated		Consolidated	
	Jan. - Mar. 2022		Jan. - Mar. 2023	
	MB	%	MB	%
Sales Revenue				
Sales Revenue from Turnkey Business	130.19	45.61	272.98	65.51
- Sales Revenue from Telecommunication System	130.19	45.61	272.98	65.51
Sales Revenue from Supply and Maintenance	155.26	54.39	143.70	34.49
- Sales Revenue from Supply of Telecommunication System	0.00	0.00	0.03	0.01
- Sales Revenue from Maintenance of Telecommunication System	155.26	54.39	143.67	34.48
Total Sales Revenue	285.45	100.00	416.68	100.00

In the first three months of 2023, sales revenue from turnkey business and supply and maintenance were reported at 272.98 million THB and 143.70 million THB or proportionately at 65.51% and 34.49% of total sales revenue respectively. Sales revenue from turnkey business showed an increase by 109.68% resulted from a part of sales revenue of the high value projects such as the Procurement project to upgrade and expand for Online Charging System (OCS)/Charging Function (CHF) Equipment and the Expansion Project for DWDM Network Capacity Expansion from Central Area to Submarine Station (CLS2). In term of revenue from supply and maintenance, it showed decrease by 7.45% because the project bases for maintenance have been expanded in comparison to the same period of previous year.

Mio THB

Sales Revenue by Business Type



Other Revenue

In the first three months of 2022 and 2023, the Company reported its other revenue at 0.08 million THB and 0.33 million THB respectively, equivalent to 0.03% and 0.08% of total revenue and the major item was interest income, etc.

1.2 Cost of Sales and Expenses

Major costs of the Company composed of cost of sales, selling expense, administrative expense and interest expense. In the first three months of 2022 and 2023, the Company showed its cost of sales and expense at 264.18 million THB and 377.46 million THB respectively, proportionately at 92.52% and 90.52% of total revenue.

CoS and Expenses	Consolidated		Consolidated	
	Jan. - Mar. 2022		Jan. - Mar. 2023	
	MB	%	MB	%
Cost of Sales	241.48	84.57	354.03	84.90
Selling Expense	8.39	2.94	9.07	2.18
Administrative Expense	14.07	4.93	14.11	3.38
Finance Cost	0.24	0.08	0.25	0.06
Total CoS and Expenses	264.18	92.52	377.46	90.52
Total Revenue	285.53	100.00	417.01	100.00

1.3 Net Profit

As a result of overall business performance, the Company reported its net profit for the first three months of 2022 and 2023 at 16.79 million THB and 31.46 million THB respectively, accounted for 5.88% and 7.54% of total revenue.



2 Financial Status

2.1 Assets

At the end of 2022 and of Q1/2023, the Company reported their total assets of 1,363.67 million THB and 1,578.95 million THB respectively. The major asset items are cash and cash equivalents, trade and other current receivables, and contract assets at the end of 2022, proportionately at 9.32%, 44.17% and 30.29% of total assets respectively and at the end of Q1/2023 proportionately at 14.97%, 31.53% and 35.59% of total assets. Total current assets are accounted for 88.05% for the year end 2022 and 87.53% for Q1/2023 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 1,015.41 million THB equivalent to 74.46% of total assets at the end of 2022 and reached at 1,059.72 million THB equivalent to 67.12% of total assets at the end of Q1/2023. It derived mostly from major ongoing projects. 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 540.30 million THB at the end of 2022 and 711.99 million THB at the end of Q1/2023 and the major items are trade and other current payables and loans from financial institutions with the proportion in 2022 and in Q1/2023 of 56.21% and 45.42% 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 2022		As at 31 Mar 2023	
	MB	%	MB	%
Trade Payables	206.98	92.45	229.66	93.24
Other Current Payables	1.10	0.49	1.49	0.60
Trade Payables - Retention	1.15	0.51	0.35	0.14
Accrued Expenses	14.67	6.55	14.82	6.02
Total Trade and Other Payables	223.90	100.00	246.32	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 2022 and at Q1/2023 at 75.73% and 82.54% of total liabilities respectively.

Shareholders' Equity

The shareholders' equity was in the amount of 823.37 million THB at the year end of 2022 and amount of 866.96 million THB at the end of Q1/2023 which has increased from exercising the warrant (ICN-W1) in the amount of 12.13 million THB and corresponding to the business result of which the legal reserve is accounted for at the total amount of 33.75 million THB and the rest of unappropriated retained earnings was 249.61 million THB.

Funding Structure

D/E ratio of the Company was at 0.68 and 0.84 at the end of 2022 and of Q1/2023 respectively.