

AIT (VP-SEC) 014E/2024

May 9, 2024

Subject: Management's Discussion and Analysis of Operating Results for Q1-2024

To: The President of the Stock Exchange of Thailand

### Summary of Operations Q1-2024

Topic	Balance by Quarter			Balance by Quarter			
	Q1-24	Q4-23	Q1-23	Q1-24 VS Q4-23		Q1-24 VS Q1-23	
	(Million Baht: MB)			(MB)	%	(MB)	%
Total revenue	1,684.4	1,815.8	1,296.7	(131.4)	(7.2)	387.7	29.9
Total operating expenses	1,522.1	1,580.9	1,174.8	(58.8)	(3.7)	347.3	29.6
Profit for the period	132.6	161.7	96.8	(29.1)	(18.0)	35.8	37.0

Overall in the Q1–2024, the Company's total revenue and total operating expenses slightly decreased from Q4–2023 but it is significant increase compared to the Q1–2023, representing an increase of 29.9% because the Company received an income from projects in the Q1–2024 that had a higher project value. The large projects delivered in the Q1–2024 such as the Construction project to renovate a deteriorated power station Bang Samak Power Station in Chachoengsao Province of the Provincial Electricity Authority, the System trading Project for expanding GDCC (VM) services of the National Telecommunications Public Company Limited, the Equipment trading Project to expand IRIS premium cloud services of National Telecommunications Public Company Limited, the Project to procure an application management system and automated platform of the Social Security Office, the Project to provide telecommunications services via a high-speed network and the project to purchase network replacement equipment for the company's regional units of the National Telecommunications Public Company Limited , etc.

Total operating expenses in Q1–2024 changed in line with and similar to the increase or decrease in revenue compared to Q1–2023. That is to say, the change rate in revenue for Q1–2024 increased by 29.9% and the change rate in total operating expenses for the Q1–2024 increased by 29.6%.

The change rate in net profit for the Q1–2024 comparing to the Q1–2024 was 37.0%. It was higher than the change rate in revenue which was 29.9%, due to an increase in project income with a larger project value in the Q1–2024, resulting in more fixed expenses to be covered

### Operating Results and Capabilities to Make Profit

Performance from revenues, costs and expenses which has significant impact on Q1–2024, can be shown in the following table:

Topic	Balance by Quarter			Change			
	Q1-24	Q4-23	Q1-23	Q1-24 VS Q4-23		Q1-24 VS Q1-23	
	(MB)			(MB)	%	(MB)	%
Revenue from sales and service	1,583.0	1,709.8	1,190.0	(126.8)	(7.4)	393.0	33.0
Cost of sales and service	1,301.2	1,393.7	953.9	(92.5)	(6.6)	347.3	36.4
Cost equipment for lease	36.6	48.4	42.6	(11.8)	(24.4)	(6.0)	(14.1)
Administrative expenses	105.4	84.2	96.6	21.2	25.2	8.8	9.1
Income tax expenses	39.4	78.2	26.2	(38.8)	(49.6)	13.2	50.4
Profit for the period	132.6	161.7	96.8	(29.1)	(18.0)	35.8	37.0

#### Revenue from sales and service

Revenue from sales and services in the Q1–2024 increased from the Q1–2023 in the amount of 393.0 MB, or an increase by 33.0%. This is because the delivered projects during in Q1–2024 are a higher project value than those in Q1–2023.

#### Cost of sales and service

Cost of sales and service in the Q1–2024 increased from the Q1–2023 in the amount of 347.3 MB, or an increase by 36.4% which is an increase in line with increased income in the Q1–2024, along with the recognized projects in the Q1–2024 will be higher project costs according to the competitive environment in the market.

#### Cost equipment for lease

Cost equipment for lease in the Q1–2024 decreased from the Q4–2023 in the amount of 11.8 MB, or an decrease by 24.4%. This is because in the Q4–2023, there are higher equipment service and maintenance costs than those in the Q1–2024.

#### Administrative expenses

Administrative expenses in Q1–2024 increased from Q4–2023 in the amount of 21.2 MB, or an increase by 25.2% due to the increased employee costs and the losses from impairment of financial assets (receivables) in the Q1–2024

#### Income tax expenses

Income tax expenses in Q1–2024 decreased from Q4–2023 in the amount of 38.8 MB, or a decrease by 49.6%. This is because in Q4–2023, some deferred tax assets were adjusted which those are expected to become untaxable in the future. Therefore, the Income tax expenses is higher.

Income tax expenses in Q1–2024 increased from Q1–2023 in the amount of 13.2 MB, or an increase by 50.4% which is an increase in line with the operating results of the Q1–2024, with the higher income and profit compared to the Q1–2023

#### Profit for the period

Profit for the period in Q1–2024 increased from Q4–2023 in the amount of 35.8 MB, or an increase by 37.0% mainly due to the increased revenue of high value projects, resulting in more fixed expenses to be covered

#### Financial Analysis of the Company

As of March 31, 2024, the Company has financial position that changed from its financial status as of December 31, 2023. The changes are described as follows:

Assets Items that has significant changes	Balance by Quarter		Change	
	Q1–24	Q4–23	Q1–24 VS Q4–23	
	(MB)		(MB)	%
Trade and other receivables	2,018.8	1,960.3	58.5	3.0
Contract assets	964.1	905.4	58.7	6.5
Equipment for lease	271.1	300.5	(29.4)	(9.8)
Total Assets	6,726.9	6,581.5	145.4	2.2

#### Assets

As of March 31, 2024, the Company's total assets increased by 145.4 MB or 2.2% from 31 December 2023. The increase in total Assets is from the following major changes:

Trade and other receivables increased by 58.5 MB, representing an increase of 3.0%. This is mainly because in Q1–2024, the Company has not received money from trade receivables due to delays in the delivery and payment process of the government sector.

Contract assets increased by 58.7 MB, representing an increase of 6.5%. This is mainly because the Company has more projects that have been completed but have not yet been invoiced according to the contract. In addition, the retention receivables also increased in the Q1–2024.

Equipment for lease decreased by 29.4 MB, representing a decrease of 9.8% mainly due to depreciation of equipment for lease during in Q1–2024.

Liabilities Items that has significant changes	Balance by Quarter		Change	
	Q1–24	Q4–23	Q1–24 VS Q4–23	
	(MB)		(MB)	%
Income tax payable	42.5	27.0	15.5	57.4
Contract liabilities	283.0	325.5	(42.5)	(13.1)
Other current liabilities	76.7	116.8	(40.1)	(34.3)
Liabilities under financial arrangement agreement – net of current portion	47.2	70.2	(23.0)	(32.8)
<b>Total Liabilities</b>	<b>2,402.9</b>	<b>2,528.2</b>	<b>(125.3)</b>	<b>(5.0)</b>

### Liabilities

As of March 31, 2024, the Company's total liabilities decreased by 125.3 MB or 5.0% from December 31, 2023, the reasons for major changes are as follows:

Income tax payable increased by 15.5 MB, representing an increase of 57.4%. This is because in March 2024, the Company had not yet paid income tax for the year 2023. In addition, there was additional income tax from the operating results of the Q1–2024.

Contract liabilities decreased by 42.5 MB, representing a decrease of 13.1%. This is because revenue from projects that previously received advance payments was recognized based on the completion of the work during in Q1–2024.

Other current liabilities decreased by 40.1 MB, representing a decrease of 34.3% mainly due to a decrease in withholding tax that occurred in December 2023 that those was remitted in January 2024 and a decrease in revenue payables from VAT remittance in March 2024 compared to December 2023.

Liabilities under financial arrangement agreement–net of current portion decreased by 23.0 MB, representing a decrease of 32.8% according to the repayment due date of debt under the financial lease agreement.

### Shareholders' Equity

As of March 31, 2024, the Company had total equity increased by 270.7 MB, representing an increase of 6.7% as at December 31, 2023. The increase in total Assets is from the following major changes:

	Balance by Quarter		Change	
	Q1–24	Q4–23	Q1–24 VS Q4–23	
	(MB)		(MB)	%
Share capital Registered	1,536.4	1,464.7	71.7	4.9
Share premium	808.2	736.5	71.7	9.7
Retained earnings – Unappropriated	1,824.6	1,692.0	132.6	7.8
<b>Total shareholders' equity</b>	<b>4,324.0</b>	<b>4,053.3</b>	<b>270.7</b>	<b>6.7</b>



Share capital Registered increased by 71.7 MB, representing an increase of 4.9% and Share premium increased by 71.7 MB, representing an increase of 9.7% because the Company received share capital from exercising warrants in the amount of 2.7 million share in December 2023 and 69.0 million share in January 2024 at a price of 2 baht per share with a par value of 1 baht per share. As a result, the capital registered and share premium increased in Q1-2024.

Retained earnings – Unappropriated increased by 132.6 MB, representing an increase of 7.8% due to operating profit for the Q1-2024.

Sincerely yours,

(Ms. Sarin Chandranipapongse)

Company Secretary

Authorized signature on behalf of the Company