



SKY ICT PUBLIC COMPANY LIMITED

Management Discussion and Analysis
for the first quarter ended 31st March 2024



No. SKY-67-05-029

15th May 2024

Subject Management Discussion and Analysis for the first quarter ended 31st March 2024
 To The Director and the Manager of the Stock Exchange of Thailand
 Enclosed A copy of the financial statement for the first quarter ended 31st March 2024 (1 set)

Sky ICT Public Company Limited (“the Company”) would like to submit the financial statement for the period ended on 31st March 2024, which has been reviewed by the Auditor as well as the explanation and analysis from the management to provide the information to the investors and the public. The operational performance of the Company are as follows:

Executive Summary

The Company has significant investment for the first quarter ended 31st March 2024 as follows:

1. On January 3, 2024, METTHIER, a subsidiary of the Company, had increased the share capital by newly issued ordinary shares for 750,000 shares at par value of Baht 100 per share, totaling Baht 75 million as creating a competitive advantage and opportunity to acquire larger projects. The Company has a shareholding on of 91.67% of the total registered capital of 300 million baht.
2. On January 23, 2024, Pro Inside Company Limited, a subsidiary of the Company, has transformed into a Pro Inside Public Company Limited (“PIS”) and changed par value of the shares from the price of 100 baht per share to 0.50 baht per share therefore total PIS’s shares increased from 2,000,000 shares to be 400,000,000 shares. In additional, Extraordinary shareholders’ meeting, the Shareholders passed a resolution to approve the share capital increment from 200,000,000 Baht to 270,000,000 Baht by issuing new common shares 140,000,000 Shares at par value 0.50 Baht for Initial Public Offering when PIS get approval to be listed company in the Market of Alternative Investment (MAI).

Overview of operating results for the first quarter ended 31st March 2024

Company’s performance	Amount (Million Baht)		Increase (Decrease)	
	Q1/2024	Q1/2023	Million Baht	%
Core business revenue	1,378.86	819.99	558.87	68.16
Other revenue	4.46	1.06	3.40	320.75
Total Income	1,383.32	821.05	562.27	68.48
Net Profit	116.94	83.32	33.62	40.35
Basic earnings per share (Baht per shares)	0.18	0.14		



Net profit

The Company and its subsidiaries had net profit for the first quarter ended 31st March 2024 amounted to 116.94 million baht, increasing of 33.62 million baht or 40.35 percent compared to the previous year with a total net profit of 83.32 million baht resulted from the service revenue of the Advance Passenger Processing System (APPS) and Passenger Name Record (PNR) project. International passenger service through the APPS and PNR systems has continuously increase from the previous year. The cumulative number of passengers for 3-month of 2024 was 18.91 million, increasing of 4.32 million compared to the previous year. The Company also has recognized the income from maintenance service after delivered work in 2023

Core business revenue

The Company and its subsidiaries had total revenue for the first quarter ended 31st March 2024 amounted to 1,378.86 million baht, an increasing of 558.87 million baht or 68.16% compared to the previous year with total revenue of 819.99 million baht can be summarized as follows:

Revenue	Amount (Million Baht)		Increase/(Decrease)	
	Q1/2024	Q1/2023	Million Baht	%
Revenue from System Integration Services	109.40	188.47	(79.07)	(41.95)
Revenue from Sales	9.07	1.31	7.76	592.37
Revenue from Services	1,260.39	630.21	630.18	100.00
Total Revenue	1,378.86	819.99	558.87	68.16

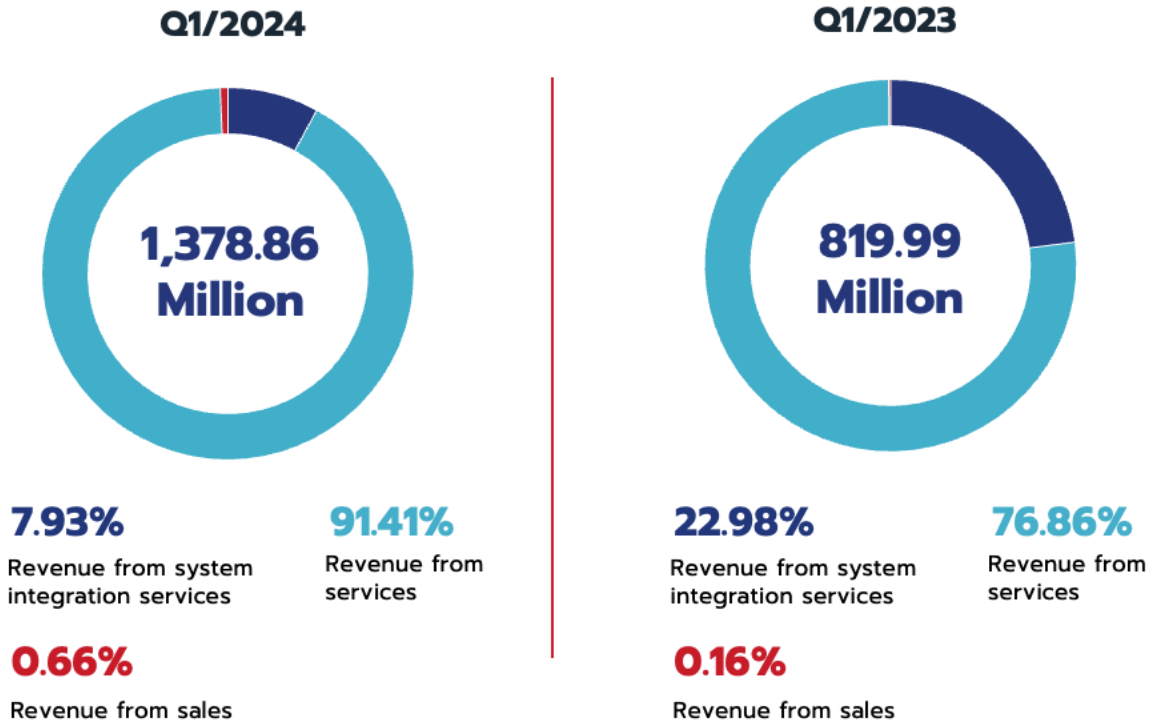
1. **Revenue from System Integration Services**, the amount revenue of 109.40 million baht, represent to 7.94% of total revenue, decreased 79.07 million baht or 41.95% compared to the previous year. The delivered and recognized project revenues in this year were lower than previous year revenue as most of projects were completely implemented. Then the revenue after implementation phase will be maintenance service revenue. The projects were delivered and recognized during the first quarter ended 31st March 2024 as follows:

- A project of procurement and installation of CCTV at Suvarnabhumi Airport, Don Mueang Airport, Phuket Airport and Hat Yai Airport to Airports of Thailand Public Company Limited.
- A project of develop Smart City system. The project develops extension area of the government, honor of His Majesty the King's 80th Birthday Anniversary, 5 December 2007, Zone C.
- A project of procurement and installation of CCTV and equipment at Songkhla
- A project of installment and maintenance distribution center system (Multimodal Transportation: ZONE 3)



2. **Revenue from Sales**, the amount of 9.07 million baht, represent to 0.66% of total revenue, an increasing of 7.76 million baht or 592.37% compared to the previous year resulted from the revenue from sales of computer equipment to private sector.
3. **Revenue from Services**, the amount of 1,260.39 million baht, accounting for 91.40% of total revenue, an increasing of 630.18 million baht or 100.00% compared to the previous year. The Company has recognized revenue from services as below:
 - Revenue from service of the Common Use Passenger Processing System (CUPPS) at Suvarnabhumi Airport, Don Mueang Airport, Chiang Mai Airport, Hat Yai Airport and Mae Fah Luang Chiang Rai Airport. The Company recognized revenue from number of outbound passengers both domestic and international travelling. Even though, number of passengers increased but did not reach 90 percent of number of passengers according to TOR criteria. Therefore, the Company recognized revenue at 90% of number of passengers according to TOR criteria which the passengers per TOR for the first quarter ended 31st March 2024 is higher than the year 2023 cause the revenue recognition in 2024 increased.
 - Revenue from service of the Advance Passenger Processing System (APPS) and Passenger Name Record (PNR) for 6 airports, Airports of Thailand Public Company Limited. For the first quarter of 2024, the number of inbound, outbound and transit passengers increased from the previous same quarter of 2023 by 29.62 percent because of Tourist campaign from Government and “Free VISA” campaign for Chinese tourists visit Thailand and Thai tourists visit China.
 - Revenue from Maintenance Service Agreement. In this year, The Company had signed many Maintenance service agreements for the projects delivered by the Company. Most of agreements have service period over 1 year such as Car license plate systems and CCTV camera systems, etc.
 - Other service revenue. After the Company completely delivered implementation phase, the Company also provided the maintenance services as per installation agreements such as providing high-speed internet service in remote areas project, providing high-speed internet services in village edge areas project, Trolley service project at Suvarnabhumi Airport, etc.
 - Revenue from Cash in transit services, Securities guard and Cleaning services of Siam Administrative Management and Security Guards Co., Ltd which was acquired by Metthier Co., Ltd. since the third quarter of 2023 in portion 100%. Most of the agreements have service period at least 12-months.

Proportion of Revenue from business operation



Total Costs

Costs	Amount (Million Baht)		Increase/(Decrease)	
	Q1/2024	Q1/2023	Million Baht	%
Cost of System Integration Services	79.66	154.79	(75.13)	(48.54)
Cost of Sales	6.21	0.42	5.79	1,378.57
Cost of Services	970.15	429.69	540.46	125.78
Total Costs	1,056.02	584.90	471.12	80.55
Gross Profit	322.84	235.09	87.75	37.33
Gross Profit (%)	23.41	28.67		

Total costs for the first quarter 31st March 2024 amounted to 1,056.02 million baht, an increasing of 471.12 million baht or 80.55% compared to previous year with a total cost of 584.90 million baht. The increasing of total costs did not result in the decreasing of gross profit amount which the Company's gross profit increased from the previous year amounted to 87.75 million bath or 37.33%. However, gross profit ratio decreased from the previous year due to lower gross margin ratio of securities guard and cleaning services, the gross profit ratio of service revenue in the first quarter of 2024 was 23.03%, decreased from the 31.82% gross profit ratio in previous year.



Expenses

Expenses	Amount (Million Baht)		Increase/(Decrease)	
	Q1/2024	Q1/2023	Million Baht	%
Selling Expenses	48.76	33.04	15.72	47.58
Administrative Expenses	115.15	92.12	23.03	25.00
Finance Cost	77.94	68.65	9.29	13.53
Total Expenses	241.85	193.81	48.04	24.79

The overall expenses of the Company for the period ended 31st March 2024, amounted to 241.85 million baht, an increase of 48.04 million baht or 24.79% from the previous year, mainly due to the expenses of Siam Administrative Management and Security Guards Co., Ltd acquired 100% by Metthier Co., Ltd. In the third quarter of 2023 while there was no these expenses in the first quarter of 2023. The increasing of expenses mainly from employee and office expenses and financial costs

Share of profit from associated companies

Company	Amount (Million Baht)		Increase/(Decrease)	
	Q1/2024	Q1/2023	Million Baht	%
TURNKEY COMMUNICATION SERVICES PUBLIC COMPANY LIMITED (“TKC”)	16.35	12.52	3.83	30.59
ASTRO SOLUTIONS COMPANY LIMITED (“ASTRO”)	-	(0.27)	-	(100.00)
GLOBAL SPORT VENTURES COMPANY LIMITED (“GSV”)	6.19	2.45	3.74	152.65
SAL GROUP (THAILAND) COMPANY LIMITED (“SAL”)	59.12	38.90	20.22	51.98
Total	81.66	53.60	28.06	52.35

For the period ended 31st March 2024, the Company has recognized its share of profit from investments in associates and joint operation totaling 81.66 million baht, an increasing of 28.06 million baht from the prior year because of :

- (1) Profit sharing from Turnkey Communication Services Public Company Limited (“TKC”) amounting to 16.35 million baht (increase by 3.83 million baht compare to Q1/23). TKC had recognized



24.9% profit sharing from investment in Advanced Information Technology Public Company Limited.

- (2) Astro solutions Company Limited (“ASTRO”). In Q4/2023 the Company have additional invested in ASTRO then the Company treated ASTRO as subsidiary Company, not associate company.
- (3) Profit sharing from Global Sport Ventures Company Limited amounting to 6.19 million baht came from operating profits which is operate in Sports organizer.
- (4) Profit sharing from SAL Group (Thailand) limited (“SAL”) amounting to 59.12 million baht increased by 20.22 million baht compare to Q1/23 due to good performance of AOT ground aviation service Company Limited, “AOTGA”, which is an associate company of SAL. AOTGA performance in this year was increased because of more airline traffic volume both domestic and international flights at Don Mueang and Phuket airports.

Please be informed accordingly.

Sincerely yours,

(MR. SITHIDEJ MAYALARP)

Director

Corporate Secretary

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