

No. INSET 092/2567

7 May 2024

Subject Management Discussion and Analysis of the 1st Quarter 2024 Operating ResultsDear Governors and President
Stock Exchange of Thailand

Infraset Public Company Limited (the "Company") hereby submitted the Management Discussion and Analysis of the 1st Quarter 2024 operating results, ending 31 March 2024. Details are as follows:

Operating Result Overview

For the three-month periods ended 31 March 2023 and 2024, the Company's revenues were 452.80 million Baht and 281.26 million Baht, respectively. In Q1/2024, Company's revenues consist of revenue from sales of 52.70 million Baht, revenue from services of 219.92 million Baht and other income of 8.63 million Baht, representing 18.74%, 78.19% and 3.07% of total revenue, respectively. The revenue from services derive from 3 main business, which are Data Center & Information Technology Infrastructure Business, followed by, Maintenance and Service Business, and Telecommunications and Transportation Infrastructure Business, respectively. The revenue 's proportion of each type of business to total revenue from services accounted for 59.64%, 30.15% and 10.21%, respectively.

Operating Result Overview	2024	2023	Increase (Decrease)	
31 March	Million Baht		Million Baht	%
Revenue from sales	52.70	67.57	(14.87)	-22.01%
Revenue from services	219.92	379.64	(159.71)	-42.07%
Other income	8.63	5.59	3.04	54.47%
Total Revenues	281.26	452.80	(171.54)	-37.88%
Cost of sales	51.07	66.15	(15.08)	-22.80%
Cost of services	189.31	337.67	(148.36)	-43.94%
Distribution costs	2.45	2.41	0.04	1.65%
Administrative expenses	14.24	15.41	(1.17)	-7.62%
Total Expenses	257.07	421.64	(164.57)	-39.03%
Profit from operating activities	24.18	31.16	(6.97)	-22.37%
Finance costs	2.31	0.11	2.20	1986.25%
Tax expenses	4.63	6.74	(2.11)	-31.25%
Profit for the periods	17.25	24.31	(7.06)	-29.04%

For the three-month periods ended 31 March 2023 and 2024, the Company's net profits were 24.31 million Baht and 17.25 million Baht respectively. The corresponding net profit margins were 5.37% and 6.13% respectively. The Company's net profit decreased from last year by 7.06 million Baht or 29.04%; while the Company's net profit margins increased. The major reasons were as follows.

1. The Company's total revenues and total expenses decreased significantly. The revenue from sales decreased from the same period last year by 14.87 million Baht or 22.01% and revenue from services decreased by 159.71 million Baht or 42.07%. Total expenses decreased in a greater proportion than the decrease in total revenues., that is, the decrease in cost of sales by 15.08 million Baht or 22.80%, the decrease in cost of services by 148.36 million baht or 43.94%. As a result, gross profit margin in Q1/2024 were 11.83%, which increased from 9.70% in Q1/2023 .

2. Revenue from services in the Q1/2024 decreased significantly from the Q1/2023. This was due to the main project that is being in progress, was acquired in late 2023 caused relatively low of percentage of completion. As a result, the revenue recognition from the main project operations was not very high. Whereas the main projects that recognized revenue in the Q1/2023 derived from several large projects, both those that were continued from the previous year and those received during the period. As a result, the percentage of completion of those projects and the value of the delivered work were high.

Revenue and Gross Profit from Services by Business

Data Center & Information Technology Infrastructure Business

For the three-month periods ended 31 March 2023 and 2024, the Company's revenues from Data Center & Information Technology Infrastructure Business were 273.03 million Baht and 131.16 million Baht, respectively. The corresponding gross profits were 25.54 million Baht and 17.84 million Baht respectively. The Company's revenues and gross profits from the business decreased from last year. This was mainly due to the main project that is being in progress, was acquired in late 2023 caused relatively low of both percentage of completion and revenue recognition. Revenue recognition from the said project accounted for 56.53% of revenue from services.

Telecommunications and Transportation Infrastructure Business

For the three-month periods ended 31 March 2023 and 2024, the Company's revenues from Telecommunications and Transportation Infrastructure Business were 52.05 million Baht and 22.46 million Baht, respectively. The corresponding gross profits were 9.31 million Baht and 4.46 million Baht respectively. The revenue and gross profit from the business decreased from last year since the main projects that were recognized revenue in the Q1/2023 were large projects and most of them were delivered in 2023, resulting in the value of the remaining work delivered in the Q1/2024 having a small value or approximately 5% of the total project values. In addition, the Company has not started a new project during the period.

Maintenance and Service Business

For the three-month periods ended 31 March 2023 and 2024, the Company's revenues from Maintenance and Service Business were 54.56 million Baht and 66.30 million Baht, respectively. The corresponding gross profits were 16.91 million Baht and 21.99 million Baht, respectively. The Company's revenue and gross profit from the business increased from last

year. The revenue recognition mainly derived from MA USO I and MA USO II projects, and personnel recruitment for the sustainable digital community ecosystem development project activity 1 project.

Personnel Costs

For the three-month periods ended 31 March 2023 and 2024, the Company's personnel costs were 8.43 million Baht and 11.61 million Baht respectively. The costs were comprised of the salaries, bonuses, related expenses of the employees, and incentives of Installation and Service Department and Design and Estimate Division. The costs increased because an increase in the number of employees of Installation and Service Department and Design and Estimate Division from 74 staff in Q1/2023 to 82 staff in Q1/2024 to ensure that the Company would have sufficient manpower for the large projects that acquired and expected to receive in the year 2023-2024.

Distribution Costs

For the three-month periods ended 31 March 2023 and 2024, the Company's distribution costs were 2.41 million Baht and 2.45 million Baht, respectively. The major expenses that increased from last year were salary and compensation of sales staff. While, the expense that decreased from last year was advertisement expense.

Administrative Expenses

For the three-month periods ended 31 March 2023 and 2024, the Company's administrative expenses were 15.41 million Baht and 14.24 million Baht, respectively. The main expenses were the compensations for administrative employees such as salaries, bonuses, remuneration for the executive committee and other employees' benefits. Major expenses that decreased from last year were donation, registrar fee and training and seminar expense; while the major expenses that increased from last year were the compensations for administrative employees .

Please be informed accordingly.

Yours sincerely,

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(Mr. Sakbaworn Pukkanasut)

Managing Director