

9 May 2024

Subject: Management Discussion and Analysis of Operating Results for First Quarter of 2024

To Director and Manager The Stock Exchange of Thailand

I2 Enterprise Public Company Limited (Company) would like to clarify the Company operating result ended 31 March 2024, which has been reviewed by a certified public accountant as following:

For the operating results for first quarter of 2024, total revenues of the Company amounted to Baht 348.35 million, which increased by Baht 47.54 million or increased by 15.81 percent comparing to the same period of previous year; and net profit of the Company amounted to Baht 18.91 million, which increased by Baht 1.85 million or increased by 10.89 percent comparing to the same period of previous year mainly due to the following reasons:

Operating results of the Company

Consolidated financial statements					(หน่วย: พันบาท)	
Profit or loss:	Quarter 1 of 2024	%	Quarter 1 of 2024	%	เปลี่ยนแปลง	%
Revenues						
Revenues from sales and services	343,300	98.55%	298,649	99.28%	44,651	14.95%
Other income	5,052	1.45%	2,158	0.72%	2,894	134.11%
Total Revenues	348,352	100.00%	300,807	100.00%	47,545	15.81%
Gross Profit	43,524	12.68%	35,048	11.74%	8,476	0.94%
Expenses						
Cost of sales and services	299,776	87.32%	263,601	88.26%	36,175	13.72%
Selling expenses	6,550	1.88%	5,648	1.88%	902	15.97%
Administrative expenses	8,697	2.50%	8,223	2.73%	474	5.76%
Total expenses	315,023	90.43%	277,472	92.24%	37,551	13.53%
Profit before finance cost	33,329	9.57%	23,335	7.76%	9,994	42.83%
Finance cost	9,478	2.72%	1,972	0.66%	7,506	380.63%
Profit before income tax expenses	23,851	6.85%	21,363	7.10%	2,488	11.65%
Income tax expenses	4,940	1.42%	4,309	1.43%	631	14.64%
Profit for the year	18,911	5.43%	17,054	5.67%	1,857	10.89%

Revenues from sales and services

In Q1,2024 revenues from sales and services of the Company amounted to Baht 343.30 million, which increased by Baht 44.65 million or increased by 14.95 percent. This significant grow because the Company had revenues from IT Infrastructure Solution Business in the amount of Baht 183.12 million. This was because of the gradual delivery of large projects such as the IP Core system procurement and installation project, which the project owner is Provincial Electricity Authority (PEA), information service system project, which the project owner is the Office of the Permanent Secretary for Interior, and etc. The revenues from the IT Infrastructure Solution Business which was 53.34 percent of the total revenues. while the revenues from Energy Saving and Management Solution Business amount to Baht 99.38 million with a revenue increase rate of 28.95 percent. This increase was due to the

gradual procurement and installation of projects for Battery Energy Storage System : BESS on Samui Island, Surat Thani Province. The project is owned by PEA Encom International Company Limited, The revenues from the Energy Saving and Management Solution Business which was 28.95 percent of the total revenues. Additionally, the Internet Services Solutions Business generated Baht 60.39 million in revenue, which is similar to the Q1,2023.

Cost of sale and services

In Q1,2024 the company incurred cost of sales and services amounted to Baht 299.78 million,an increase of Baht 36.18 million or increased by 13.72 percent from Q1,2023. The primary reason for this increase was due to the project sales and service costs of 2 business groups, including IT Infrastructure Solutions Business and Energy Saving and Management Solution Business increased by Baht 47.23 million mainly due to an increase in project works of 2 business groups.However, for the Digital Transformation solution business which decreased from the previous year by amounted to Baht 1.06 million.

Selling expenses

In Q1,2024 selling expenses of the Company amounted to Baht 6.55 million, which increased by Baht 0.90 million from the previous year, mainly from 1) Customer reception expenses. increased by Baht 0.46 million. 2) Travel expenses increased by Baht 0.30 million. 3) Public relations expenses increased by baht 0.15 million because the normal sales operations of the company.

Administrative expenses

In Q1,2024, administrative expenses of the Company amounted to 8.69 million, which increased by Baht 0.47 million from the previous year, mainly from 1) Employee benefit reserve expenses increased by baht 0.20 million 2) Building depreciation increased by baht 0.78 million.

Finance costs

In Q1,2024, financial costs of the Company amounted to Baht 9.47 million or 2.72 percent of total revenues. The financial costs of the Company include of interest on loans, interest expenses and front-end fee.In 2023,the financial costs increased by 7.50 million baht from the previous year. The main reason for this increase was attributed to the interest expenses and front-end fee, particularly projects for Battery Energy Storage System : BESS on Samui Island, Surat Thani Province.

Net profit

In Q1,2024, the company reported a net profit of Baht 18.91 million, which increased by Baht 1.85 million or increased by 10.90 percent from Q1,2023, representing a net profit margin of 5.43 percent of total revenues. The primary reasons for the net profit increase were the gradual delivery of projects, including a significant project procurement and installation of projects for Battery Energy Storage System : BESS on Samui Island, Surat Thani Province.

Therefore, the company efficient project delivery management and controlling sales costs and administrative expenses significantly contributed to the company's increased net profit significantly.