

No. LTS S-004/2024

Date 14 August 2024

Subject : Management's Discussion and Analysis and explanation of the six-month
Period ended 30 June 2024

To : Directors and Managers
The Stock Exchange of Thailand

Executive Summary

Overall performance for 2Q24 showed the significant growth in both revenues and net profit. The income from IT solutions is emerging in this quarter, together with the continuing of income from large project which meet the expected progress and according to customer construction time line. These factors result in significant growth of net profit comparing to both YoY and QoQ.

Company Performance

Overall performance in the first half of 2024 showed a strong turnaround, with net profit increasing to Baht 32.3 million from Baht 9.6 million in 1H2023, an increase of 236% YoY. The quarterly performance also showed a net profit increase to Baht 16.8 million from Baht 15.48 million in 1Q24, representing 8.5% QoQ growth.

Financial Position

As of 30 June 2024, the company has total assets of Baht 407.3 million, an increase of 89% (Baht 189 million) from YE2023. The significant increase items are ; 1) Total increase of Baht 110 million, 230%, of **cash and cash at bank** from IPO in May 2024. 2) Total increase of Baht 83 million, 147%, of **trade account receivable** from income of the smart park project which has a longer credit term and income from IT solutions in June 2024.

Therefore, the company has also managed the liquidity by matching up the credit term from suppliers results in an increasing of **account payable** of Baht 24.7 million, 99%, from YE2023.

Shareholders' equity increases by 111%, Baht 152.1 million from YE2023 from IPO and an increase of retained earnings from net profit of the first half of Y2024 of Baht 32 million.

Overall, the company are maintaining the conservative position of Debt to Equity (D/E) ratio to be below one time. As of 2Q24 D/E ratio is at 0.4, lower than 1Q24, from increase of shareholders' equity from IPO.

Quarterly Performance

Statement of Profit or Loss and Other comprehensive Income (Loss)	2Q24	1Q24	Increase (Decrease)	%QoQ	2Q23	Increase (Decrease)	%YoY
Revenue from sales and services	80.3	91.1	(10.9)	(11.9)	36.5	43.8	119.9
Cost of sales and services	42.5	59.3	(16.8)	(28.3)	23.0	19.5	84.5
Gross Profit	37.8	31.8	6.0	18.7	13.5	24.3	180.5
Other income	0.2	0.2	-	-	1.0	(0.8)	(80.4)
Gain (loss) arising from change in fair value of derivatives	0.0	0.1	(0.1)	(90.0)	0.2	(0.2)	(96.4)
Profit before expenses	38.0	32.1	5.9	18.3	14.7	23.3	158.2
Selling expenses	5.6	4.9	0.7	14.9	4.5	1.1	25.4
Administrative expenses	10.2	7.4	2.8	37.8	10.5	(0.3)	(3.2)
Profit before finance costs and income tax	22.1	19.8	2.3	11.9	(0.3)	22.5	(6,805.5)
Finance cost	0.8	0.6	0.2	33.3	0.4	0.4	116.2
Profit before income tax	21.3	19.2	2.1	11.2	(0.7)	22.0	(3,146.9)
Income tax	4.5	4.0	0.5	13.3	(0.1)	4.6	(9,160.0)
Profit for the year	16.8	15.2	1.6	10.7	(0.6)	17.4	(2,684.3)
Other comprehensive Income (Loss)							
Acturial gain (loss)	-	0.4	(0.4)	100.0	-	-	100.0
Tax expense of actuarial gain (loss)	-	0.1	(0.1)	100.0	-	-	100.0
Total Comprehensive Income (loss)	16.8	15.48	1.3	8.5	(0.6)	17.4	(2,684.3)

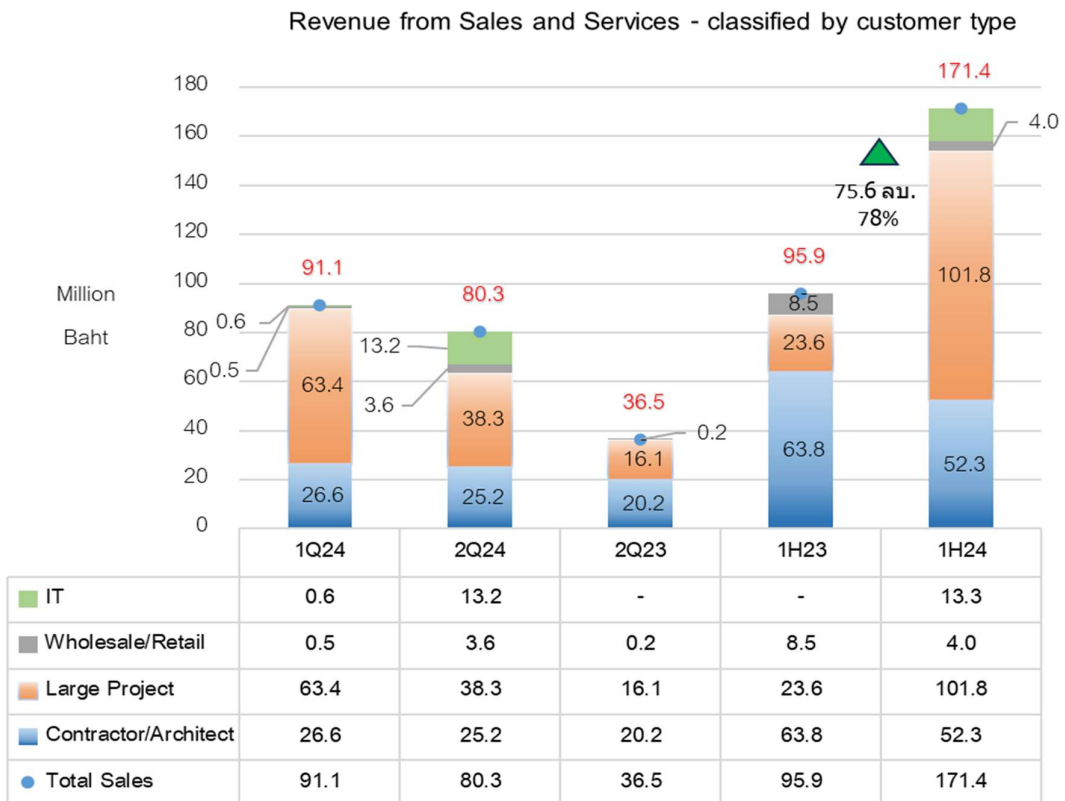
Half Year Performance

Statement of Profit or Loss and Other comprehensive Income (Loss)	1H2024	1H2023	Increase (Decrease)	%1Ho1H
Revenue from sales and services	171.4	95.8	75.6	78.9
Cost of sales and services	101.9	58.2	43.7	75.1
Gross Profit	69.5	37.6	31.9	84.8
Other income	0.4	2.2	(1.8)	(81.8)
Gain (loss) arising from change in fair value of derivatives	0.1	0.4	(0.3)	(75.0)
Profit before expenses	70.0	40.2	29.8	74.1
Selling expenses	10.5	8.1	2.4	29.6
Administrative expenses	17.6	18.5	(0.9)	(4.9)
Profit before finance costs and income tax	41.9	13.6	28.3	208.1
Finance cost	1.4	0.8	0.6	75.0
Profit before income tax	40.5	12.8	27.7	216.4
Income tax	8.5	3.2	5.3	165.6
Profit for the year	32.0	9.6	22.4	233.3
Other comprehensive Income (Loss)				
Actuarial gain (loss)	0.4	-	0.4	100.0
Tax expense of actuarial gain (loss)	0.1	-	0.1	100.0
Total Comprehensive Income (loss)	32.3	9.60	22.7	236.5

Sales and service income

- Income for 1H2024 increasing to Baht 171.4 million from Baht 95.8 million in 1H2023, an increase of 78% (Baht 75.6 million) YoY. The significant increase items are ; 1) Increase of income from large projects which has work progress developing as expected. 2) Income from IT solutions that commencing in 2Q24.

For 2Q24 quarterly income slightly decrease to Baht 80.3 million from Baht 91.1 million in 1Q24, a decrease of 12% (Baht 10.9 million) QoQ, which was depended upon the construction time line of customer.



Cost of sales and service / Gross profit / Gross Profit Margin

- **Cost of sales and service** for 1H2024 is increase to Baht 101.9 million from Baht 58.2 million in 1H2023, an increase of 75% (Baht 43.7 million) YoY, which was according to the increase of income.

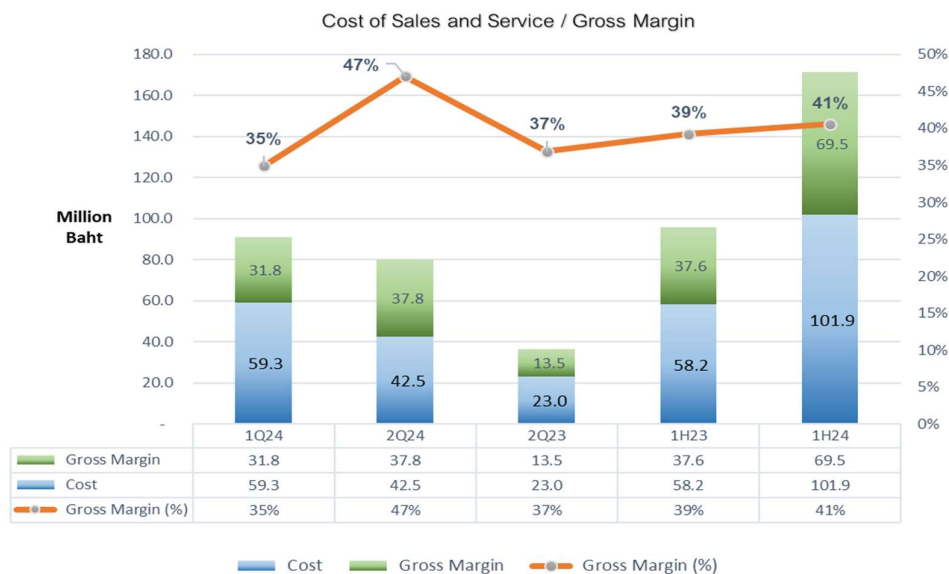
For 2Q24, cost of sales and service is decrease to Baht 42.5 million from Baht 59.3 million in 1Q24, a decrease of 28% (Baht 16.8 million) QoQ, from the efficient of cost management in IT solution segment, which has a nature of higher margin against a fixed cost of employee expenses.

- **Gross profit** for 1H2024 is increase to Baht 69.5 million from Baht 37.6 million in 1H2023, an increase of 85% (Baht 31.9 million) YoY.

For 2Q24, gross profit is increase to Baht 37.8 million from Baht 31.8 million in 1Q24, an increase of 19% (Baht 6 million) QoQ. These increases are according to and align with an increase of income.

- **Gross profit margin** for 1H2024 is increase to 41% from 39% in Baht 69.5 million in 1H2023.

For 2Q24 gross profit margin is rising to 47% due to the contribution of good margin from IT solutions income.



Selling and Administrative expense / Net Profit

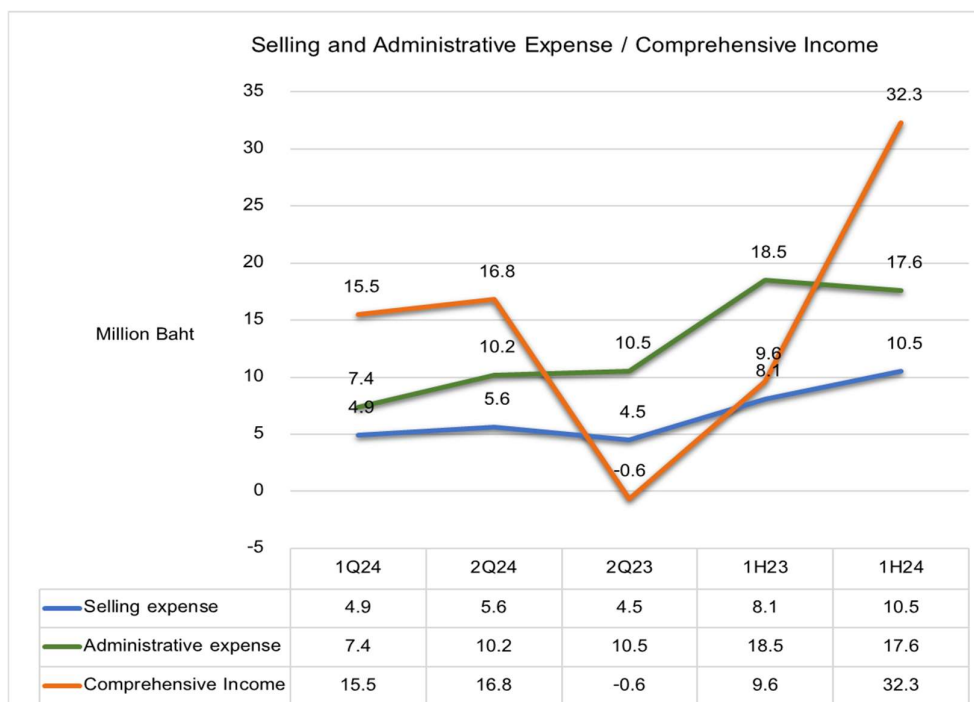
- **Selling expense** for 1H2024 is increase to Baht 10.5 million from Baht 8.1 million in 1H2023, an increase of 29% (Baht 2.4 million) YoY, due to an increase of commission expense, which is according to and align with increasement of income.
- **Administrative expense** for 1H2024 is slightly decrease to Baht 17.6 million from Baht 18.5 million in 1H2023, an decrease of 4.9% (Baht 0.9 million) YoY.

For 2Q24 gross profit margin is increase to Baht 10.2 million from Baht 7.4 million in 1Q24, an increase of 37% (Baht 2.8 million) QoQ, due to the increase of advertisement regarding the IPO.

- **Net profit** for 1H2024 is increase to Baht 32.3 million from Baht 9.6 million in 1H2023, an increase of 236% (Baht 22.7 million) YoY.

For 2Q24 net profit is increase to Baht 16.8 million from Baht 15.84 million in 1Q24, an increase of 8.5% (Baht 1.3 million) QoQ.

Overall performance for the first half of Y2024 shows a satisfying high growth.



Financial Position

Financial Position	30 June 2024.	31 December 2023.	Increase (decrease)	% change
Current Assets	360.8	170.6	190.2	111.5
Non-Current Assets	43.1	43.4	(0.3)	(0.7)
Total Assets	403.9	214.0	189.9	88.7
Current Liabilities	101.7	62.3	39.4	63.2
Non-Current Liabilities	13.5	151.1	(137.6)	(91.1)
Total Liabilities	115.2	213.4	(98.3)	(46.0)
Shareholders' Equity	288.7	136.6	152.1	111.3

Total Assets

Statement of Financial Position	30 June 2024.	31 December 2023.	Increase (decrease)	% change
Cash and cash equivalents	158.8	48.1	110.7	230.1
Trade and other receivables - net	140.3	56.7	83.6	147.4
Inventories - net	54.2	56.4	(2.2)	(3.9)
Other current assets	14.0	16.5	(2.5)	(15.2)
Investment property	10.8	10.8	-	-
Fixed assets, intangible assets and right-of-use assets - net	9.0	7.8	1.2	15.4
Other non-current assets	16.8	17.7	(0.9)	(5.1)
Total Assets	403.9	214.0	189.9	88.7

As of 30 June 2024, the company has total assets of Baht 403.9 million, an increase of 89% (Baht 189.9 million) from YE2023. The significant increase items are

- Total increase of Baht 110 million, 230%, of **cash and cash at bank** from IPO in May 2024.
- Total increase of Baht 83 million, 147%, of **trade account receivable** from income of the smart park project which has a longer credit term and income from IT solutions in June 2024.

Total Liabilities

Statement of Financial Position	30 June 2024.	31 December 2023.	Increase (decrease)	%QoQ
Loan from financial institutions	38.4	26.0	12.4	47.7
Trade and other payables	49.6	25.0	24.6	98.4
Lease liabilities	5.3	4.8	0.5	10.4
Income tax payable	7.4	8.4	(1.0)	(11.9)
Other current liabilities	9.3	8.1	1.2	14.8
Employee benefit obligations	5.22	5.1	0.1	2.4
Total Liabilities	115.2	77.4	37.8	48.9

Remark ** Includes Current and Non Current items

As of 30 June 2024, the company has total liabilities of Baht 115.2 million, an increase of 49% (Baht 37.8 million) from YE2023. The significant increase items are;

- Total increase of Baht 12.4 million, 47.7%, of **loan from finance institution** from short term credit line of Trust Receipt.
- Total increase of Baht 24.6 million, 98%, of **trade account payable** from undue credit purchase of goods for the smart park project in June 2024.

Shareholders' equity

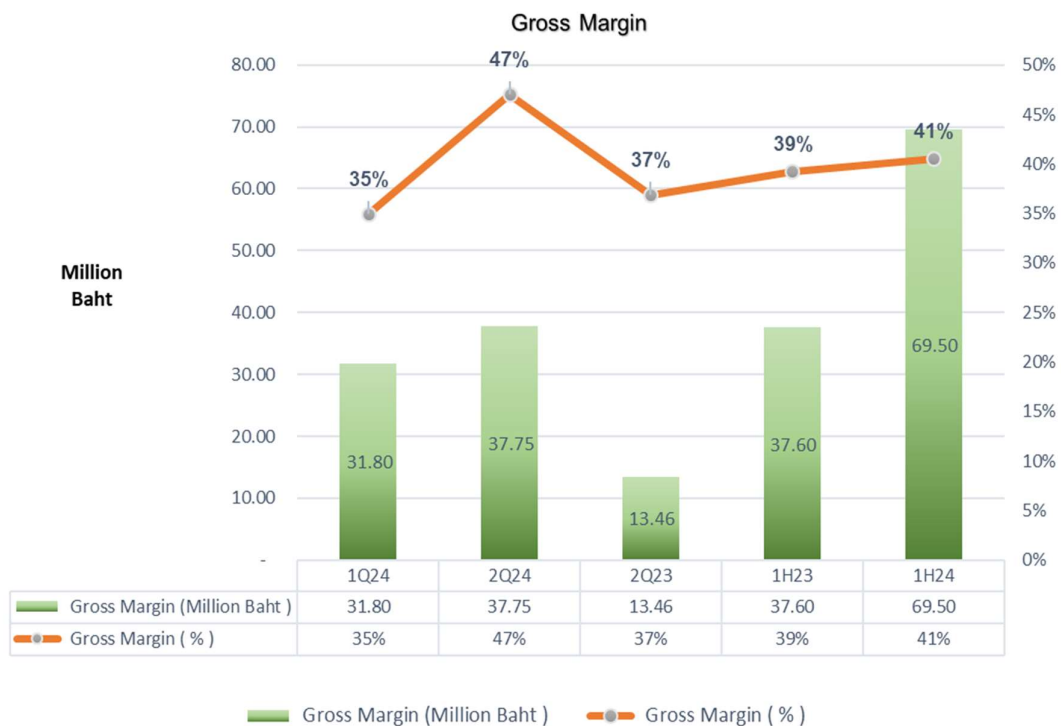
As of 30 June 2024, the company has shareholders' equity of Baht 288.7 million, increases by 111%, Baht 152.1 million from YE2023 from IPO and an increase of retained earnings from net profit of the first half of Y2024 of Baht 32 million.

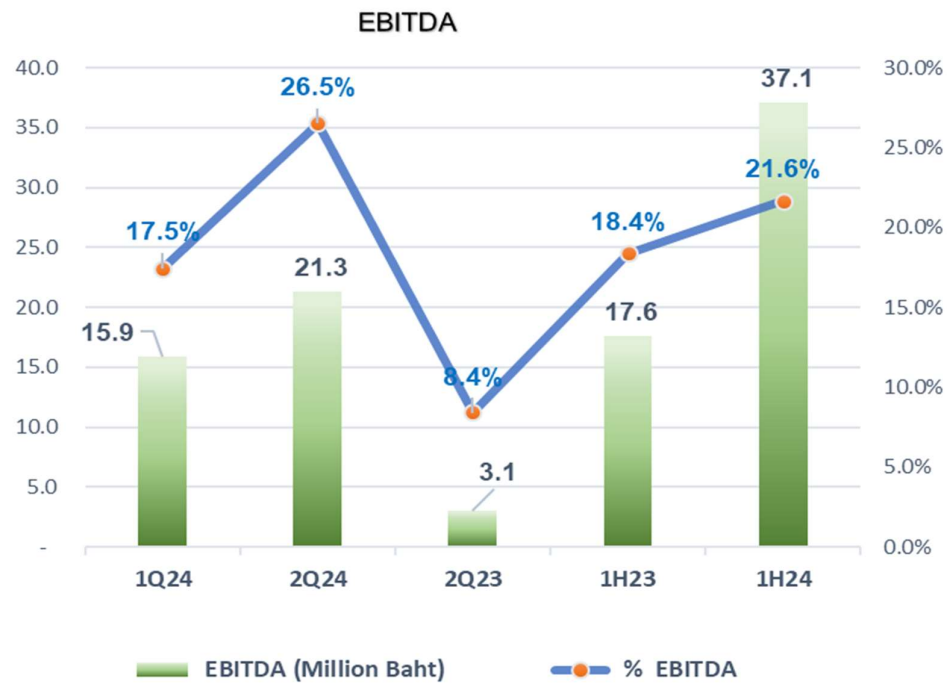
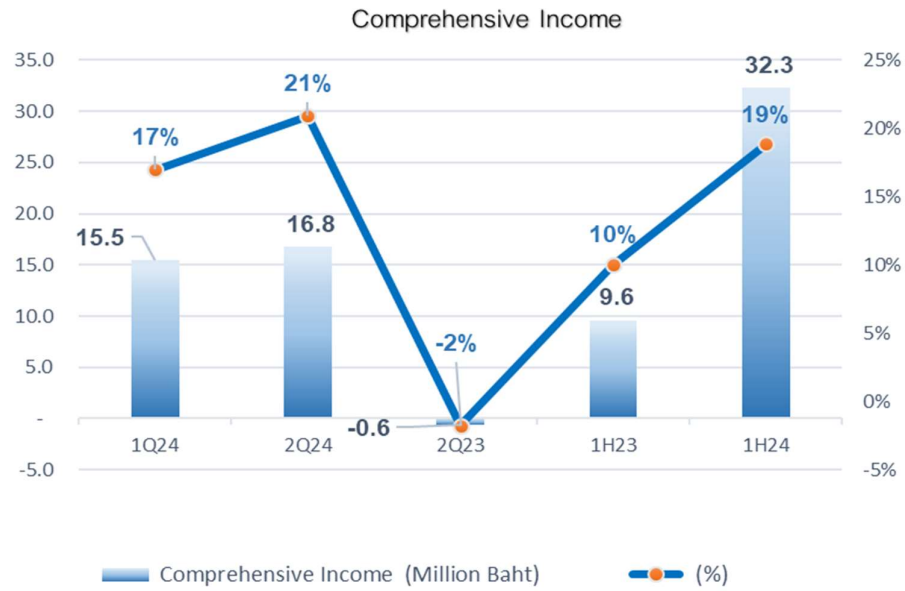
Important Financial Ratios – Quarterly

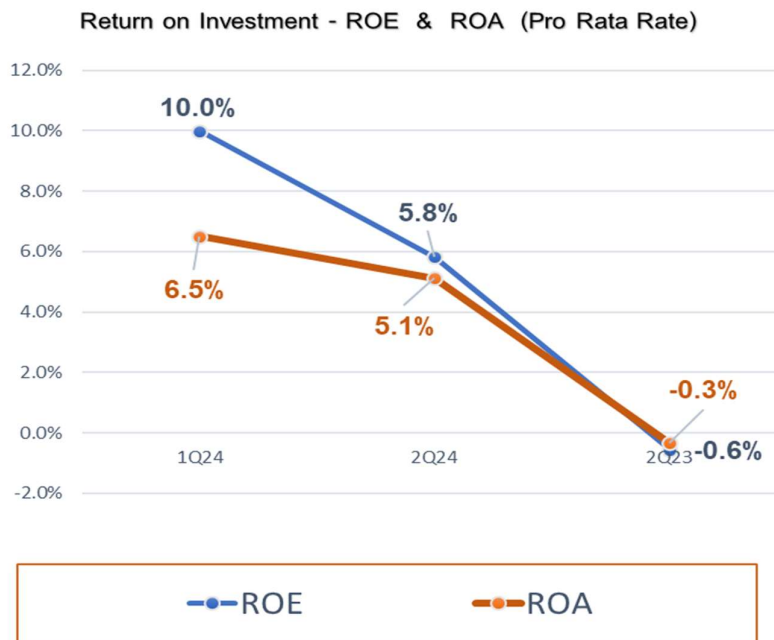
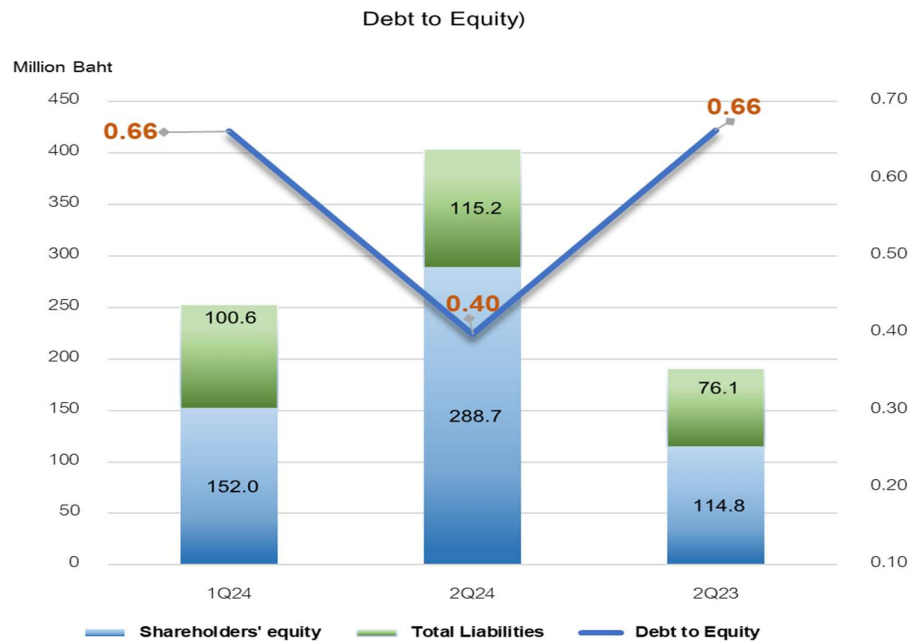
Financial Ratios	2Q24	1Q24	In(De)crease	%QoQ	2Q23	In(De)crease	%YoY
Gross Profit Margin	47%	35%	12%	35%	37%	10%	28%
Net Profit	21%	17%	4%	23%	-2%	23%	-1275%
EBITDA	27%	17%	9%	52%	8%	18%	217%
Debt to Equity ratio (D/E)	40%	66%	-26%	-40%	66%	-26%	-40%
Return on Asset (ROA)	5%	7%	-1%	-21%	0%	5%	-1588%
Return on Equity (ROE)	6%	10%	-4%	-42%	-1%	6%	-1128%
*** ROA & ROE Pro Rata Rate							

Important Financial Ratios – Half year

Financial Ratios	1H24	1H23	In(De)crease	%1Ho1H
Gross Profit Margin	41%	39%	1%	3%
Net Profit	19%	10%	9%	88%
EBITDA	22%	18%	3%	18%







Sincerely Yours,

Nuchanat Sangchat

Chief Finance Officer