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18 May 2026

Subject: Management discussion and analysis of financial position and operating results

To: President and Manager  
The Stock Exchange of Thailand

**Overall operating performance of the Group**

Unit: Million Baht

	Q1' 2026	Q1' 2025	Increase (decrease)	Variance (%)
Total revenues	2,602	2,292	310	14%
Net profit	168	61	107	175%

Total revenue for the first quarter of 2026 amounted to Baht 2,602 million, increasing by Baht 310 million, or 14%, from Baht 2,292 million in the same period of the previous year. The growth was primarily driven by higher revenue contributions from the Enterprise Solutions and EMS businesses.

Net profit for the first quarter of 2026 amounted to Baht 168 million, increasing by Baht 107 million, or 175%, from Baht 61 million in the corresponding period of the previous year, mainly driven by the improvement in gross profit.

**Analysis of revenues**

	Q1' 2026		Q1' 2025		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues from the main business</b>						
EMS business	801	31%	674	29%	127	19%
Enterprise solutions business	733	28%	524	23%	209	40%
Smart service business	989	38%	1,028	45%	(39)	(4%)
<b>Total revenues from the main business</b>	<b>2,523</b>	<b>97%</b>	<b>2,226</b>	<b>97%</b>	<b>297</b>	<b>13%</b>
Other income	79	3%	66	3%	13	20%
<b>Total revenues</b>	<b>2,602</b>	<b>100%</b>	<b>2,292</b>	<b>100%</b>	<b>310</b>	<b>14%</b>

**EMS business**

Revenue from the EMS business for the first quarter of 2026 amounted to Baht 801 million, representing an increase of Baht 127 million, or 19%, compared to Baht 674 million in the same period of the previous year. The increase was primarily driven by higher customer orders for electronic manufacturing services and printed circuit board assembly used in air conditioners and communication equipment.

### Enterprise solutions business

Revenue from the Enterprise Solutions business for the first quarter of 2026 amounted to Baht 733 million, representing an increase of Baht 209 million, or 40%, compared to Baht 524 million in the same period of the previous year. The increase was mainly attributable to installation projects for communication network systems using Super High Frequency (SHF) repeaters, integrated digital radio communication systems, and sales of Smart Meters.

### Smart service business

Revenue from the Smart Services business for the first quarter of 2026 amounted to Baht 989 million, representing a decrease of Baht 39 million, or 4%, compared to Baht 1,028 million in the same period of the previous year. Revenue remained relatively stable compared to the same period of the previous year.

### Gross Profit and Gross Profit Margin

	Q1' 2026		Q1' 2025		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
EMS business	181	23%	65	10%	116	178%
Enterprise solutions business	143	20%	151	29%	(8)	(5%)
Smart service business	333	34%	319	31%	14	4%
<b>Gross Profit</b>	<b>657</b>	<b>26%</b>	<b>535</b>	<b>24%</b>	<b>122</b>	<b>23%</b>

### EMS business

Gross profit for the first quarter of 2026 amounted to Baht 181 million, representing an increase of Baht 116 million, or 178%, compared to gross profit of Baht 65 million in the same period of the previous year. In addition, the gross profit margin for the first quarter of 2026 increased from 10% to 23%. The improvement was mainly attributable to higher production capacity utilization in the electronic manufacturing services and printed circuit board assembly business, driven by increased customer orders. As certain manufacturing overhead costs are fixed and do not vary in proportion to production volume, higher production volume led to lower per-unit production costs. Consequently, both gross profit and gross profit margin increased.

### Enterprise solutions business

Gross profit for the first quarter of 2026 amounted to Baht 143 million, representing a decrease of Baht 8 million, or 5%, compared to gross profit of Baht 151 million in the same period of the previous year. There was no material change in gross profit. However, the gross profit margin for the first quarter of 2026 decreased from 29% to 20%. The decrease in gross profit margin was mainly attributable to a project for the rental of electronic monitoring ankle bracelets to a government agency, for which the related equipment and management system are currently pending inspection and acceptance. As a result, the Company has not yet recognized revenue from such a project. Meanwhile, costs related to the management system, including personnel expenses and data communication service fees, are recurring monthly expenses the Company must maintain to ensure operational

readiness upon completion of the inspection and acceptance process for the related equipment and systems.

**Smart service business**

Gross profit for the first quarter of 2026 amounted to Baht 333 million, representing an increase of Baht 14 million, or 4%, compared to gross profit of Baht 319 million in the same period of the previous year. In addition, the gross profit margin for the first quarter of 2026 increased from 31% to 34%. However, there was no material change in gross profit and gross profit margin.

**Expenses**

	Q1' 2026	Q1' 2025	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Selling expenses	35	35	-	-
Administrative expenses	362	332	30	9%
Finance costs	40	50	(10)	(20%)
Income tax expenses	59	54	5	10%

**Selling expenses**

Selling expenses for the first quarter of 2026 amounted to Baht 35 million, unchanged from the same period of the previous year.

**Administrative expenses**

Administrative expenses for the first quarter of 2026 amounted to Baht 362 million, representing an increase of Baht 30 million, or 9%, compared to Baht 332 million in the same period of the previous year. The increase was mainly attributable to higher bad debt expenses and expected credit loss allowances for loan receivables in the lending business.

**Finance costs**

Finance costs for the first quarter of 2026 amounted to Baht 40 million, representing a decrease of Baht 10 million, or 20%, compared to Baht 50 million in the same period of the previous year. The decrease was mainly attributable to lower interest rates on borrowings from commercial banks

**Income tax expenses**

Income tax expenses for the first quarter of 2026 amounted to Baht 59 million, representing an increase of Baht 5 million, or 10%, compared to Baht 54 million in the same period of the previous year. However, there was no material change in income tax expenses.

## Financial position

### Assets

Unit: Million Baht

	31 March 2026	31 December 2025	Increase (decrease)	% Variance
Current assets	7,344	6,804	540	8%
Non-current assets	5,767	5,832	65	1%
<b>Total assets</b>	<b>13,111</b>	<b>12,636</b>	<b>475</b>	<b>4%</b>

Total assets as of 31 March 2026 amounted to Baht 13,111 million, representing an increase of Baht 475 million, or 4%, compared to total assets of Baht 12,636 million as of 31 December 2025. The increase was mainly attributable to higher cash and cash equivalents resulting from increased cash flows from operating and financing activities.

### The quality of assets

#### Trade account receivables

Unit: Million Baht

	Consolidated financial statements	
	31 March 2026	31 December 2025
Trade account receivables - unrelated parties	1,266	1,322
Less: Allowance for expected credit losses	(66)	(65)
Trade account receivables - net	1,200	1,257

As of March 31, 2026, and December 31, 2025, the Group recorded allowances for expected credit losses amounting to Baht 66 million and Baht 65 million, respectively. The Group recognises an allowance for expected credit losses on its trade receivables, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies a simplified approach to considering the impairment of trade receivables.

#### Inventories

Unit: Million Baht

	Consolidated financial statements	
	31 March 2026	31 December 2025
Inventories	2,616	2,469
Reduce cost to net realisable value	(547)	(542)
Inventories - net	2,069	1,927

As of March 31, 2026, and December 31, 2025, the Group had a reduction in cost to net realisable value amounting to Baht 547 million and Baht 542 million, respectively. The Group estimates the net realisable value of inventories, considering fluctuations in price or cost directly related to events occurring after the end of the period, movements of inventories, and the prevailing economic conditions. Management believed that the reduced cost to net realisable value is adequate in the current circumstances.

### Loan receivables

Unit: Million Baht

	<b>Consolidated financial statements</b>	
	<b>31 March 2026</b>	<b>31 December 2025</b>
Loan receivables	1,401	1,419
Accrued interest income	29	24
Allowance for expected credit losses	(98)	(78)
<b>Loan receivables - net</b>	<b>1,332</b>	<b>1,365</b>

As of March 31, 2026, and December 31, 2025, the Group recorded allowances for expected credit losses of Baht 98 million and Baht 78 million, respectively. At every reporting date, the Group assesses whether there has been a significant increase in credit risk of debtors since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Group uses internal quantitative and qualitative indicators, and forecasts information to assess the deterioration in credit quality of such debtors such as overdue more than 30 days or 1 installment, and forbearance status for debt restructuring agreements, etc.

### Source of fund

Unit: Million Baht

	<b>31 March 2026</b>	<b>31 December 2025</b>	<b>Increase (decrease)</b>	<b>% Variance</b>
Current liabilities	7,814	7,551	263	3%
Non-current liabilities	813	840	(27)	(3%)
<b>Total liabilities</b>	<b>8,627</b>	<b>8,391</b>	<b>236</b>	<b>3%</b>
<b>Total shareholders' equity</b>	<b>4,484</b>	<b>4,245</b>	<b>239</b>	<b>6%</b>

### Liabilities

Total liabilities as of 31 March 2026 amounted to Baht 8,627 million, representing an increase of Baht 236 million, or 3%, compared to total liabilities of Baht 8,391 million as of 31 December 2025. The increase was mainly attributable to higher short-term bank loans for working capital.

### Shareholders' equity

Total shareholders' equity as of 31 March 2026 amounted to Baht 4,484 million, representing an increase of Baht 239 million, or 6%, compared to shareholders' equity of Baht 4,245 million as of 31 December 2025. The increase was mainly attributable to the net profit recorded for the first quarter of 2026.

### **The appropriate capital structure**

The debt-to-equity ratio as of 31 March 2026 was 1.92:1, slightly decreasing from 1.98:1 as of 31 December 2025. The decrease was attributable to an increase in shareholders' equity at a higher rate than in total liabilities, as well as an adjustment to the dividend payout ratio to an appropriate level in line with the Company's liquidity position and investment requirements.

### **Liquidity**

#### **Cash flows**

Unit: Million Baht

	<b>Q1' 2026</b>	<b>Q1' 2025</b>
Cash flows from (used in) operating activities	204	(33)
Cash flows from (used in) investing activities	(66)	(57)
Cash flows from (used in) financing activities	304	71

Cash flows from operating activities for the first quarter of 2026 amounted to Baht 204 million, representing an increase of Baht 237 million compared to the same period of the previous year, during which the Group recorded cash flows used in operating activities of Baht 33 million. The increase was mainly attributable to higher operating profit and lower working capital requirements.

Cash flows used in investing activities for the first quarter of 2026 amounted to Baht 66 million, representing an increase of Baht 9 million compared to Baht 57 million in the same period of the previous year. The increase was mainly attributable to higher capital expenditures on asset acquisitions.

Cash flows from financing activities for the first quarter of 2026 amounted to Baht 304 million, representing an increase of Baht 233 million compared to Baht 71 million in the same period of the previous year. The increase was mainly attributable to higher drawdowns of long-term bank loans for the lending business and to an increase in short-term loans for working capital.

### **Liquidity ratio**

The current ratio as of 31 March 2026 was 0.94:1, slightly increasing from 0.90:1 as of 31 December 2025. The increase was in line with the higher growth rate of current assets relative to current liabilities.

Please be informed accordingly.

Yours sincerely,

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