

## PROEN Corp Public Company Limited and Subsidiaries

### Management Discussion and Analysis Yearly

For the Quarter 1 end of March 31,2026

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#### Business overview

PROEN Corp Public Company Limited and its subsidiaries (“the Group”) operate in the field of Information Communication and Technology (ICT), Internet Data Center (IDC), Internet Service Provider (ISP), and Cloud Services, collectively called ICT business, which constitutes the primary source of revenue. Additionally, the Group undertakes telecommunications and infrastructure project contracting services. The Group’s key strategies include:

- Promoting comprehensive services by developing new products and services to meet the needs of existing customers, thereby enhancing value and building customer loyalty.
- Expanding the customer base within the telecommunications infrastructure sector.
- Increasing accessibility through the PROEN Power Partner Program and the PROEN Customer Loyalty Program.

#### Operating result

The Group’s operating results for the first quarter of 2026 recorded total revenue of Baht 82.08 million, a decrease of Baht 85.35 million, or 50.98%, from the same period of the previous year. The decrease was mainly due to a decline in sales revenue of Baht 34.90 million and a decline in service revenue of Baht 8.47 million, resulting in a total decrease in revenue from sales and services of Baht 43.37 million. The decline was attributable to the fact that, in the first quarter of 2025, the Company received a government project for the procurement of machinery sets for water resource development, which resulted in higher sales revenue than in the current period. Service revenue also decreased due to the completion of project management services for the



Public Service Center project in the first quarter of 2025. However, revenue from information technology services related to the Internet Data Center (IDC) business remained stable. Revenue from infrastructure projects decreased by Baht 41.98 million, as existing projects were gradually completed in 2025. Nevertheless, in 2026, the Group continued to pursue new projects, with several projects currently being submitted for bidding and awaiting results.

The Group's gross profit decreased by Baht 0.26 million, or 1.09%. Although the Company's revenue decreased, gross profit remained close to the level recorded in the same period of the previous year. The Company closely monitored the situation and adjusted its operating plans as appropriate. The Company reported a net loss of Baht 12.12 million, mainly due to relatively high selling and administrative expenses. However, the Company closely controlled its selling and administrative expenses. In the first quarter of 2026, the Company also recognized other losses of Baht 4.27 million, comprising a loss related to debentures of Baht 2.41 million. This loss arose from the difference between the original carrying amount and the new financial liability, which was calculated based on the present value of the modified contractual cash flows discounted using the original effective interest rate of the financial liability and adjusted for related fees. The debenture agreement was modified by extending the maturity date by another two years and increasing the interest rate from 7.00% per annum to 7.25% per annum. In addition, the Company recognized a loss from the fair value measurement of derivative contracts amounting to Baht 1.86 million.



## Business Operation Analysis

The comparative cumulative performance for the Quarter 1 ended of 31 March 2026 and 2025, can be summarized as follows:

Operating Result  (Unit : million Baht)	Quarter 1/2026 ( Jan - Mar )		Quarter 1/2025 ( Jan - Mar )		Change YoY	
	MB.	%	MB.	%	Increase (Decrease)	%
Total revenues	82.08	100.00%	167.43	100.00%	(85.35)	(50.98%)
Total costs	58.39	71.14%	143.48	85.70%	(85.09)	(59.30%)
Gross profit	23.69	28.86%	23.95	14.30%	(0.26)	(1.09%)
Other income	0.52	0.63%	0.25	0.15%	0.27	108.00%
Distribution costs	6.86	8.36%	5.54	3.31%	1.32	23.83%
Administrative expenses	21.28	25.93%	23.90	14.27%	(2.62)	(10.96%)
Other gains (losses)	(4.27)	(5.20%)	1.47	0.01	5.74	390.48%
(Loss) profit from operations	(8.20)	(9.99%)	(3.77)	(2.25%)	(4.43)	(117.51%)
Finance costs	4.41	5.37%	7.67	4.58%	- 3.26	(42.50%)
Share of loss of an associate accounted for using the equity method	-	-	3.43	2.05%	(3.43)	(100.00%)
Profit (loss) before income tax (expense) income	(12.61)	(15.36%)	(14.87)	(8.88%)	2.26	15.20%
Income tax (expense) income	0.49	0.60%	(1.03)	(0.62%)	1.52	(147.57%)
Profit (loss) for the periods	(12.12)	(14.77%)	(15.90)	(9.50%)	3.78	23.77%

## Revenue, Cost, and Gross Profit

Operating Result  (Unit: million Baht)	Revenue				Cost				Gross Profit			
	Q1/2026	Q1/2025	Increase (Decrease)	%	Q1/2026	Q1/2025	Increase (Decrease)	%	Q1/2026	Q1/2025	Increase (Decrease)	%
<b>ICT Business:</b>												
Revenues from sales of goods	15.11	50.01	(34.90)	(0.70)	12.94	44.62	(31.68)	(0.71)	2.17	5.39	(3.22)	(0.60)
Revenues from rendering of services	66.28	74.75	(8.47)	(11.33%)	43.27	49.89	(6.62)	(13.27%)	23.01	24.86	(1.85)	(7.44%)
<b>Total revenue from ICT business</b>	<b>81.39</b>	<b>124.76</b>	<b>(43.37)</b>	<b>(34.76%)</b>	<b>56.21</b>	<b>94.51</b>	<b>(38.30)</b>	<b>(40.52%)</b>	<b>25.18</b>	<b>30.25</b>	<b>(5.07)</b>	<b>(16.76%)</b>
<b>Infrastructure construction business:</b>												
Revenues from construction contracts	0.69	42.67	(41.98)	(98.38%)	2.18	48.87	(46.79)	(95.55%)	(1.49)	(6.30)	4.81	(76.35%)
<b>Total revenue from main business</b>	<b>82.08</b>	<b>167.43</b>	<b>(85.35)</b>	<b>(50.98%)</b>	<b>58.39</b>	<b>143.48</b>	<b>(85.09)</b>	<b>(59.30%)</b>	<b>23.69</b>	<b>23.95</b>	<b>(0.26)</b>	<b>(1.09%)</b>



## Revenue

For the first quarter of 2026, the Company recorded revenue from its core businesses of Baht 82.08 million, a decrease of Baht 85.35 million, or 50.98%, from the same period of the previous year. The decrease was mainly due to a decline in sales revenue of Baht 34.90 million and a decline in service revenue of Baht 8.47 million, resulting in a total decrease in revenue from sales and services of Baht 43.37 million. The decline was attributable to the fact that, in the first quarter of 2025, the Company received a government project for the procurement of machinery sets for water resource development, which resulted in higher sales revenue than in the current period. Service revenue also decreased due to the completion of project management services for the Public Service Center project in the first quarter of 2025. However, revenue from information technology services related to the Internet Data Center (IDC) business remained stable. Revenue from infrastructure projects decreased by Baht 41.98 million, as project work was gradually completed in 2025. Nevertheless, in 2026, the Company continued to pursue new projects, with several projects currently in the bidding submission process and awaiting results.

## Cost of sales and Gross Profit

For the first quarter of 2026, cost of sales and services amounted to Baht 56.21 million, a decrease of Baht 38.30 million, or 40.52%, in line with the decrease in revenue. Similarly, cost of infrastructure projects decreased by Baht 46.79 million, or 95.55%, in line with the decrease in related revenue.

For the first quarter of 2026, gross profit from sales and services amounted to Baht 25.18 million, a decrease of Baht 5.07 million, or 16.76%. Meanwhile, gross profit from infrastructure projects was Baht (1.49) million, with the loss decreasing by Baht 4.81 million, or 76.35%. As a result, the Company recorded total gross profit of Baht 23.69 million, a decrease of Baht 0.26 million, or 1.09%. Nevertheless, although the Company's revenue decreased, gross profit remained close to the level recorded in the same period of the previous year.



### Other Income

For the first quarter of 2026, other income amounted to Baht 0.52 million, an increase of Baht 0.27 million, or 108.00%.

### Other Gains (Losses) – Net

For the first quarter of 2026, the Company recognized other losses of Baht 4.27 million, comprising a loss related to debentures of Baht 2.41 million. Such loss arose from the difference between the original carrying amount and the new financial liability, which was calculated based on the present value of the modified contractual cash flows discounted using the original effective interest rate of the financial liability and adjusted for related fees. The debenture agreement was modified by extending the maturity date by another two years and increasing the interest rate from 7.00% per annum to 7.25% per annum. In addition, the Company recognized a loss from the fair value measurement of derivative contracts amounting to Baht 1.86 million, whereas in the first quarter of 2025, the Company recognized a gain from the fair value measurement of derivative contracts.

### Selling and Administrative Expenses

For the first quarter of 2026, distribution costs amounted to Baht 6.86 million, an increase of Baht 1.32 million, or 23.83%. Administrative expenses amounted to Baht 21.28 million, a decrease of Baht 2.62 million, or 10.96%, mainly due to more effective expense management and cost control.



## Share of Loss from Joint Venture Using the Equity Method

For the first quarter of 2025, the Company recognized a share of loss from an associate accounted for using the equity method, namely Seashore Data Center and Cloud Services Co., Ltd., in which the Company held a 30% interest, amounting to Baht 3.43 million.

## Financial Costs

For the first quarter of 2026, finance costs amounted to Baht 4.41 million, a decrease of Baht 3.26 million, or 42.50%, from the same period of the previous year. Finance costs mainly consisted of interest expenses on debentures, which decreased as the outstanding debentures declined due to partial repayment, resulting in lower interest expenses.

## Income Tax Income (Expense)

For the first quarter of 2026, the Company recorded income tax income of Baht 0.49 million, whereas in the first quarter of 2025, the Company recorded income tax expense of Baht 1.03 million.



## Statement of financial position

Statement of Financial Position (Unit: million Baht)	31 Mar 26	31 Dec 25	Increase (decrease)	%Increase (decrease)
<b>Assets</b>				
Current assets	722.28	853.08	(130.80)	(15.33%)
Non-current assets	431.12	404.91	26.21	6.47%
<b>Total assets</b>	<b>1,153.40</b>	<b>1,257.99</b>	<b>(104.59)</b>	<b>(8.31%)</b>
<b>Liabilities and Equity</b>				
Current liabilities	419.60	604.32	(184.72)	(30.57%)
Non-current liabilities	161.11	66.23	94.88	143.26%
<b>Total liabilities</b>	<b>580.71</b>	<b>670.55</b>	<b>(89.84)</b>	<b>(13.40%)</b>
Equity	572.69	587.44	(14.75)	(2.51%)
<b>Total liabilities and equity</b>	<b>1,153.40</b>	<b>1,257.99</b>	<b>(104.59)</b>	<b>(8.31%)</b>

As of March 31, 2026, total assets amounted to Baht 1,153.40 million, a decrease of Baht 104.59 million, or 8.31%, from the previous year. The decrease was mainly due to a decline in cash and cash equivalents resulting from the repayment of debentures amounting to Baht 100.00 million. Total liabilities decreased by Baht 89.84 million, or 13.40%, mainly due to the decrease in debentures following the repayment of Baht 100.00 million. However, trade and other current payables increased by Baht 22.03 million.

As of March 31, 2026, the Company had a loan to Gateway Service Co., Ltd. with a credit facility of Baht 25.00 million, bearing interest at a rate of 8.00% per annum. The loan term was three years, from September 30, 2025 to September 30, 2028. The first installment of Baht 3.00 million was due for repayment by March 31, 2026, and the Company had already received the repayment on April 3, 2026.



### Statement of Cash Flow

Statement of Cash Flows (Unit : million Baht)	31 Mar 26	31 Mar 25	Increase (decrease)	%Increase (decrease)
Net cash (used in) provided by operating activities	(11.21)	(26.60)	15.39	(57.86%)
Net cash provided by (used in) investing activities	(8.68)	2.47	(11.15)	(451.42%)
Net cash used in financing activities	(116.94)	(71.63)	(45.31)	63.26%
<b>Net increase in cash and cash equivalents</b>	<b>(136.83)</b>	<b>(95.76)</b>	<b>(41.07)</b>	<b>42.89%</b>
Opening balance of cash and cash equivalents	391.02	176.61	214.41	121.40%
<b>Closing balance of cash and cash equivalents</b>	<b>254.19</b>	<b>80.85</b>	<b>173.34</b>	<b>214.40%</b>

As of March 31, 2026, the Group had cash and cash equivalents of Baht 254.19 million. The Group had net cash used in operating activities of Baht 11.21 million, mainly due to payments to trade payables and finance costs. Net cash used in investing activities amounted to Baht 8.68 million, mainly from the purchase of equipment and intangible assets totaling Baht 8.88 million. Net cash used in financing activities amounted to Baht 116.94 million, mainly from the repayment of debentures of Baht 102.94 million and the repayment of borrowings from financial institutions of Baht 17.48 million.

### SUBSEQUENT EVENTS

On May 12, 2026, the Board of Directors' Meeting No. 3/2026 passed a resolution to approve the acquisition of additional 35,000 shares in Icon Next Co., Ltd., which is a subsidiary, resulting in the increase in shareholding to 100% of total shares. Management will complete this acquisition within the quarter 2/2026.

On May 12, 2026, the Board of Directors' Meeting No. 3/2026 passed a resolution to approve the disposal of investment of 12,800 shares in Jumpbox Co., Ltd., which is a subsidiary. This will result in a loss of control over such subsidiary. Management will complete this disposal within the quarter 2/2026.



## Sustainability Development

The Company has a policy to operate its business with the belief that long-term success requires ethical management and adherence to good corporate governance principles, as well as a focus on sustainable growth. This involves balancing economic, social, and environmental considerations. Social responsibility is a key focus for the Group, which is firmly committed to collaborating with stakeholders while considering potential impacts on shareholders, employees, customers, partners, and surrounding communities. The Company also fosters and encourages employees to be socially responsible by participating in activities that benefit society, continuously caring for and preserving the environment sustainably. This approach aligns with the principles set forth by the Stock Exchange of Thailand, driven by a commitment to sustainable business practices.

Strategy	Tactic
Develop products, innovations, and advanced technologies to meet the diverse needs of customers.	Elevate customer collaboration to a partnership level to deliver valuable products and services to the market.
	Design and gather insights information to analyze and accurately meet customer needs.
Enhance the potential of people to align with the business's sustainability direction.	Encourage the development of individual skills for employees to design innovative products that appropriately meet the diverse needs of customers.
	Promote behaviors and enhance employee knowledge to improve work processes that align with eco-efficiency goals.
Manage energy use within the organization to achieve eco-efficiency.	Encourage the use of alternative energy within the organization.
	Promote the use of environmentally friendly materials.

