

# Management Discussion and Analysis Q1/2026

**SIRISOFT PUBLIC COMPANY LIMITED**



คำอธิบายและวิเคราะห์ของฝ่ายจัดการ  
ไตรมาสที่ 1 ปี 2569  
บริษัท สิริซอฟต์ จำกัด (มหาชน)

## Business Overview

The Group is a comprehensive IT consulting and development company specializing in information technology and digital transformation solutions. We focus on leveraging information technology systems as enablers for modern digital businesses that demand speed, adaptability, and sustainable growth. Our capabilities extend to facilitating business connections across and beyond industries to generate revenue streams, leveraging our expertise in API development as a key strength to effectively address digital economy needs through the API Economy. The Company's operational scope includes the following:

### 1. IT Optimization & IT Automation Services

We provide consulting services and IT system optimization solutions focused on enhancing efficiency and achieving business objectives. Our approach includes implementing automation systems to reduce clients' workload and delivering management services to ensure system stability, support ongoing development, and enable fast recovery in the event of system disruptions. This methodology helps minimize IT risks for clients while consistently delivering improved and reliable outcomes for clients. Our services include Digital Workload Management consulting, Data Infrastructure and Data Migration services, and Hybrid Cloud Strategy and Management.

### 2. Digital Transformation Services

Transitioning to a digital business environment extends beyond sales and service strategies; it necessitates the reengineering of internal workflows to effectively support internal operational changes through digitalization, enabling data-driven decisions and seamless external connectivity. We provide comprehensive digital consulting and technology development services. This includes system architecture design, API optimization, system development and enhancement, and program integration. Our end-to-end services deliver tailored systems that align with business needs, increase agility, and improve operational efficiency. We also provide post-development support through training, documentation, and ongoing system maintenance to ensure smooth technological transition.

### 3. Cyber Security Services

We provide comprehensive cybersecurity risk management and security services, encompassing risk assessment, security enhancement, cyber threat response, and implementation of cybersecurity systems. Our holistic protection covers endpoints devices, applications, cloud services, networks, and internet security, providing end-to-end cybersecurity solutions for our clients.

### 4. IT Professional Services

We provide comprehensive IT services, including computer and network services, software solutions, cloud services, database management, additional support services, and application development services.

Furthermore, the Company provides IT consulting and development services to organizations, with our expertise in Application Modernization, that ensures systems remain current, continuously developable and efficient. We implement DevOps (Development & Operations) approach, emphasizing Automation and Cloud technologies to streamline software delivery processes. Our expertise extends to developing systems using Microservices architecture which reduces infrastructure dependencies and enhances scalability. This enables organizations to operate more efficiently than with conventional system development and infrastructure management methods. It also improves problem resolution within systems and facilitates maintenance and monitoring, resulting in robust, high-performing operational systems. In addition, we specialize in developing custom software solutions across a wide range of use cases. Our high-code development team possesses strong design capabilities and is well-versed in creating IT-driven operational enhancements, especially for organizations undergoing Digital Transformation.

## Industry Overview

According to research by Krungthai COMPASS in December 2025 and the 2024 survey on Thailand's digital industry conducted by the Digital Economy Promotion Agency (depa) together with IMC Institute, Thailand's digital industry continues to demonstrate strong growth momentum. In 2024, the four major industry segments comprising Hardware and Smart Devices, Digital Services, Digital Content, and Software expanded by 26.62%, 19.54%, 14.41%, and 8.46%, respectively. The total industry value is expected to reach 3 trillion baht by 2027, with Artificial Intelligence (AI) serving as a key growth driver. Meanwhile, Krungthai COMPASS projects that Thailand's IT services industry will continue to grow steadily during 2025-2027, with total industry revenue expected to increase by 5.30%, 5.80%, and 6.50%, respectively. This growth will be supported by rising demand for public cloud services and cybersecurity solutions across both public and private sectors. Industry-wide profit margins are also expected to improve, driven by IT investment related to Virtual Bank projects during the second half of 2025 through the first half of 2026, together with AI transformation initiatives and cloud migration, both of which play an important role in enhancing operational efficiency.

In terms of workforce development, the 2024 survey by depa and IMC Institute indicates that digital talent continued to expand in line with industry demand. The software workforce increased by 23.77% to 175,254 people, while the digital services workforce grew by 6.23% to 86,177 people. This reflects the continued growth of digital platform development and data analytics roles, both of which are key enablers in driving Thailand toward a fully digital economy.

In summary, the industry structure can be divided into the following key segments:

### 1. Software & Software Services Industry

This segment recorded a total market value of 233,386 million baht, representing 8.46% growth compared to the previous year. The software services sector continued to demonstrate solid growth, supported by increasing business demand for data-driven operations. In addition, domestic software production continued to rise, reflecting stronger local technology capabilities.

### 2. Digital Services Industry

With a total market value of 367,738 million baht, this segment recorded strong growth of 19.54%, driven mainly by notable expansion in e-Retail and e-Logistics services. Although FinTech and HealthTech remain in the early stages of investment and user base expansion, their performance is expected to improve as the businesses mature and become fully operational. Meanwhile, employment in the digital services industry, particularly in FinTech, continued to grow significantly, supported by demand for diverse skilled professionals to enhance service efficiency, especially during the early stage of business development.

### 3. Hardware & Smart Services Industry

This segment reached a total market value of 1.85 trillion baht, representing strong growth of 26.62% compared to the previous year. Exports increased by 23.00% to 1.22 trillion baht, while imports rose by 34.40% to 624,099 million baht, reflecting rising demand across both domestic and international markets. Government promotion of investments in semiconductors and electric vehicles (EVs) remains a key factor supporting the industry's long-term competitiveness. In addition, demand for data storage devices and Data Center services continues to expand in line with business digital transformation. Looking ahead, the segment is expected to grow at an average rate of 6-7% per year during 2025-2027.

### Financial Performance Summary for the period ended March 31, 2026

Unit: million baht Overall Group performance	3-month		QoQ		3-month		YoY	
	Q1 2026	Q4 2025	Amount	%	Q1 2025	Amount	%	
Revenues from sales and services	217.29	199.05	18.24	9.16%	142.41	74.88	52.58%	
Costs of sales and services	(167.54)	(164.42)	(3.12)	1.90%	(116.02)	(51.52)	44.41%	
<b>Gross profit</b>	<b>49.75</b>	<b>34.63</b>	<b>15.12</b>	<b>43.66%</b>	<b>26.39</b>	<b>23.36</b>	<b>88.52%</b>	
Other income	1.56	1.15	0.41	35.65%	3.05	(1.49)	(48.85%)	
Selling expenses	(11.39)	(10.08)	(1.31)	13.00%	(7.29)	(4.10)	56.24%	
Administrative expenses	(37.57)	(34.69)	(2.88)	8.30%	(34.24)	(3.33)	9.73%	
Provision for loss from onerous contract	3.19	(11.41)	14.60	(127.96%)	(14.40)	17.59	(122.15%)	
<b>Operating profit (loss)</b>	<b>5.54</b>	<b>(20.40)</b>	<b>25.94</b>	<b>(127.16%)</b>	<b>(26.49)</b>	<b>32.03</b>	<b>(120.91%)</b>	
Finance cost	(1.71)	(1.68)	(0.03)	1.79%	(1.74)	0.03	(1.72%)	
<b>Profit (loss) before income tax expenses</b>	<b>3.83</b>	<b>(22.08)</b>	<b>25.91</b>	<b>(117.35%)</b>	<b>(28.23)</b>	<b>32.06</b>	<b>(113.57%)</b>	
Income tax expense	(1.54)	4.37	(5.91)	(135.24%)	5.62	(7.16)	(127.40%)	
<b>Profit (loss) for the period / year</b>	<b>2.29</b>	<b>(17.71)</b>	<b>20.00</b>	<b>(112.93%)</b>	<b>(22.61)</b>	<b>24.90</b>	<b>(110.13%)</b>	
Basic Earnings (Loss) Per Share (Baht/Share)	0.01	(0.11)	0.12	(109.09%)	(0.14)	0.15	(107.14%)	
Gross Profit Margin (%)	22.90%	17.40%	5.50%		18.53%	4.37%		
EBITDA Margin (%)	8.40%	(4.45%)	12.85%		(10.31%)	18.71%		
Adjusted EBITDA Margin* (%)	4.29%	(8.39%)	12.68%		(16.59%)	20.88%		
EBIT (%)	2.55%	(10.25%)	12.80%		(18.60%)	21.15%		
Net Profit Margin (%)	1.05%	(8.90%)	9.95%		(15.88%)	17.00%		

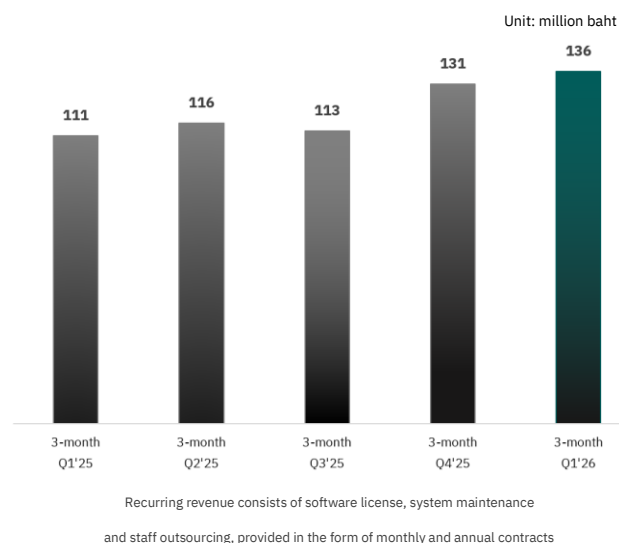
\*Adjusted EBITDA = (Earnings before interest, taxes, depreciation, and amortization) - (depreciation charge for the right-of-use asset) - (interest expense on the lease liability).

Note: Financial ratios were calculated based on revenue from sales and services only, excluding other income.

Unit: million baht Type of products or services	3-month		QoQ		3-month		YoY	
	Q1 2026	Q4 2025	Amount	%	Q1 2025	Amount	%	
Sales of hardware and software licenses	118.13	128.30	(10.17)	(7.93%)	101.06	17.07	16.89%	
Implement and develop software services	88.53	60.16	28.37	47.16%	32.75	55.78	170.32%	
Maintenance and support services	10.63	10.59	0.04	0.38%	8.60	2.03	23.60%	
<b>Total</b>	<b>217.29</b>	<b>199.05</b>	<b>18.24</b>	<b>9.16%</b>	<b>142.41</b>	<b>74.88</b>	<b>52.58%</b>	

### Recurring revenue

#### The quarterly increase in recurring revenue



In Q1 2026, recurring revenue totaled 136.49 million baht, an increase of 25.41 million baht or 22.88% compared to the previous year. This reflects consistent revenue growth, primarily driven by renewals and increased demand for software licenses from both existing and new customers, as well as continued growth in maintenance service revenue.

This growth further strengthened the recurring revenue base, which accounted for 62.82% of total revenue. The higher proportion of recurring revenue reflects a more stable income structure and provides a solid foundation to support the Group's long-term growth. It also enhances revenue visibility, reduces earnings volatility, and supports more stable long-term growth.

### Financial Performance for the three-month period of Q1 2026 compared with Q4 2025 (QoQ)

Compared to Q4 2025, the Group's total revenue from sales and services in Q1 2026 increased by 18.24 million baht, or 9.16%. The growth was primarily driven by a significant increase in software development service revenue of 28.37 million baht, or 47.16%, supported by continued progress on high-value government software development projects. Meanwhile, product and software license sales decreased by 10.17 million baht, or 7.93%, as the previous quarter included the recognition of perpetual software license revenue, which was a large one-time item. However, revenue from the Government Data Center and Cloud Service (GDCC) project – a multi-year managed services contract with a government agency providing recurring infrastructure and cloud management revenue – remained a strong recurring revenue base and accounted for a higher proportion in this quarter, while maintenance service revenue increased slightly by 0.04 million baht.

Gross profit amounted to 49.75 million baht, an increase of 15.12 million baht, or 43.66%, from the previous quarter. The gross profit margin improved from 17.40% to 22.90%, mainly due to a higher proportion of software development services, which carry structurally higher margins than hardware and software license sales, together with the absence of newly recognized provisions for loss on contracts during the period.

As a result, the Group reported a net profit of 2.29 million baht in Q1 2026, turning around from a net loss of 17.71 million baht in Q4 2025. This improvement was partly due to the provision for loss on onerous contracts of 11.41 million baht recognized in the previous quarter, while 3.19 million baht of such provision was reversed in the current quarter, resulting in a total positive impact of 14.60 million baht, together with the recovery in gross profit margin.

### Financial Performance for the three-month period of Q1 2026 compared with Q1 2025 (YoY)

In Q1 2026, the Group recorded total revenue from sales and services of 217.29 million baht, an increase of 74.88 million baht, or 52.58%, compared to the same period last year. The growth was primarily driven by a significant 55.78 million baht, or 170.32%, increase in software development service revenue, following revenue recognition from large-scale government projects delivered during the period. Product and software license sales also increased by 17.07

million baht, or 16.89%, while maintenance service revenue rose by 2.03 million baht, or 23.60%, reflecting the stability of the Group's recurring revenue base.

Gross profit increased by 23.36 million baht, or 88.52%, compared to the same period last year, with the gross profit margin improving from 18.53% to 22.90%. This improvement was mainly driven by a higher proportion of software development services and effective cost management.

Selling and administrative expenses totaled 48.96 million baht, an increase of 7.43 million baht from the same period last year, comprising a 4.10 million baht increase in selling expenses and a 3.33 million baht increase in administrative expenses. However, after including provisions for onerous contracts, total expenses decreased by a net amount of 10.16 million baht year-on-year, mainly because Q1 2025 included a 14.40 million baht provision for onerous contracts, while Q1 2026 recorded a 3.19 million baht reversal of such provision. This reflects more effective project risk management.

As a result, the Group reported a net profit of 2.29 million baht in Q1 2026, turning around from a net loss of 22.61 million baht in the same period last year. This improvement reflects the recovery in revenue and gross profit margin, together with the absence of newly recognized provisions for onerous contracts during the period.

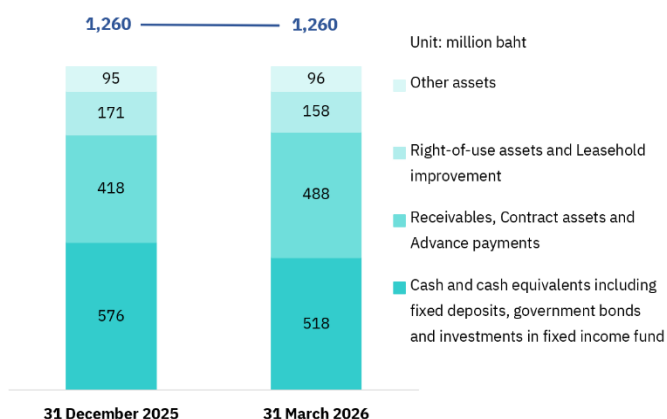
In 2026, the Group continues to enhance its organizational capabilities by focusing on high-quality delivery and services that create long-term value for customers. This approach aims to build a stronger and more sustainable growth foundation. A key initiative is to increase the proportion of software development services, which leverage the Group's specialized expertise and align with continued market demand.

At the same time, the Group has strengthened its project selection and management processes to be more disciplined and efficient, with a strong focus on cost control. This is intended to continuously enhance project-level profitability and support quality and sustainable growth.

These initiatives reflect the Group's commitment to improving service quality and expanding into higher-value service offerings. Together with a strong backlog base and the recovery in operating performance during the quarter, these factors will serve as key drivers in supporting the Group's continued growth and delivering stable long-term returns to shareholders.

### Statement of financial position

#### Assets

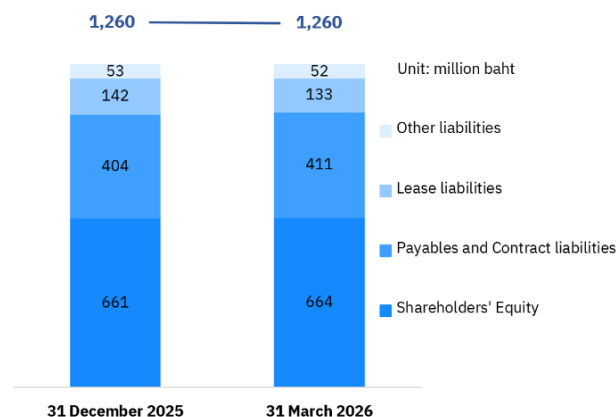


#### Assets

As of March 31, 2026, the Group reported total assets of 1,260.47 million baht, an increase of 0.63 million baht, or 0.05%, compared to December 31, 2025. The change was primarily attributable to the following factors:

1. Cash and cash equivalents, including fixed deposits, government bonds, and investments in fixed income funds, decreased by 58.09 million baht. This reduction was mainly due to net cash outflows from operating and financing activities, including lease liability repayments, totaling 56.03 million baht.
2. Trade and other receivables, including contract assets and advance payments for services, increased by a net amount of 69.93 million baht. The key factors were: 1) trade and other receivables increased by 10.65 million baht, in line with higher revenue during the period; 2) contract assets, or accrued revenue, increased by 15.49 million baht from revenue recognized but not yet billed; and 3) advance payments for services increased by 43.79 million baht, mainly from prepaid software license costs and hardware costs for projects scheduled for delivery in the coming periods.

#### Liabilities and shareholders' equity



#### Liabilities

As of March 31, 2026, the Group reported total liabilities of 596.77 million baht, a decrease of 1.66 million baht, or 0.28%, compared to December 31, 2025. The reduction was mainly due to the following factors:

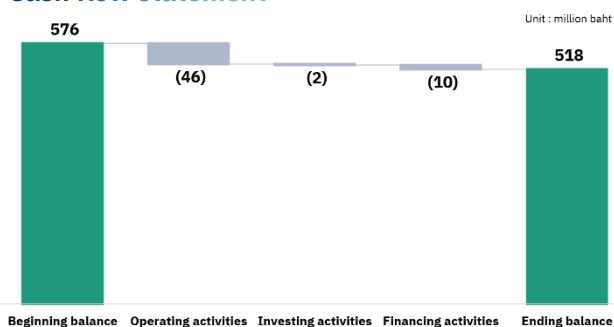
1. Contract liabilities (deferred revenue) decreased by 9.41 million baht from the end of the previous year, primarily due to the progressive revenue recognition of software license contracts during the quarter.
2. Trade and other payables increased by 16.71 million baht, in line with higher purchases of goods and software licenses to support revenue growth during the period.

At present, the Group remains free of interest-bearing debt, with no short-term or long-term borrowing from financial institutions.

#### Shareholders' equity

As of March 31, 2026, the Group's total shareholders' equity stood at 663.70 million baht, an increase of 2.29 million baht from the end of 2025. This change was attributable to the net profit recorded for the period. The Group continues to maintain a strong equity base, sufficient to support future business expansion.

### Cash flow statement



As of March 31, 2026, the Group had cash and cash equivalents, including fixed deposits, government bonds, and investments in fixed income funds, totaling 518.47 million baht, representing a decrease of 58.09 million baht from the end of 2025. The main factors contributing to this change were:

- Net cash used in operating activities amounted to 45.61 million baht, mainly due to advance payments for services related to projects scheduled for delivery in the coming periods.
- Net cash used in investing activities amounted to 6.06 million baht, primarily from additional net investments in financial assets of 5.43 million baht.
- Net cash used in financing activities amounted to 10.42 million baht, mainly driven by lease liability repayments of 8.79 million baht and finance cost payments of 1.63 million baht.

### Revenue to be recognized for the remaining performance obligation (Backlog)

(Unit: million baht)	31 March 2026	31 December 2025
Sales of hardware and software licenses	434.85	518.02
Implement and develop software services	426.77	182.14
Maintenance and support services	156.10	39.12
<b>Total</b>	<b>1,017.72</b>	<b>739.28</b>

As of March 31, 2026, the Group reported a total backlog of 1,017.72 million baht, an increase of 278.44 million baht, or 37.66%, from the end of 2025. The increase was mainly driven by a significant rise in software development service backlog, despite the expiration of certain software license contracts. Backlog from software development services increased by 244.63 million baht, or 134.31%, supported by large-scale government projects.

The backlog for software development services has an average duration of no more than 1 year, while maintenance services and hardware and software

licensing projects have an average duration of no more than 3 years. Of the total backlog of 1,017.72 million baht, the Group estimates that more than half is expected to be recognized as revenue within the next 12 months. While the current backlog is weighted toward the public sector, the Group is actively developing its pipeline in the financial services, insurance, and energy sectors to broaden its revenue base over the medium term.

### Outlook

The Group is ready to drive sustainable growth in line with the new investment cycle of the technology industry. Thailand's digital industry is projected to grow at an average rate of 8-12% per year during 2026-2028, significantly outpacing overall economic growth. Key growth drivers include Generative AI, Agentic AI, Cloud-Native technologies, Virtual Bank, and Sovereign Cloud. Against this backdrop, the Group has adopted key strategic directions as follows:

#### 1. Expanding digital services in line with key technological trends

The Group will continue to build on its expertise in Generative AI & Agentic AI, Cloud-Native technologies, and Cybersecurity to support the accelerating wave of Digital & AI Transformation, particularly across financial institutions, Virtual Banks, insurance, and the public sector. This strategy will elevate the Group's role as a strategic partner in driving Thailand's digital economy.

#### 2. Enhancing delivery efficiency through DevOps

With over 10 years of experience in applying DevOps methodologies, the Group will further strengthen this capability through AI-Augmented DevOps and Platform Engineering to accelerate project delivery, reduce inefficiencies, and continuously create superior value for clients. This will improve productivity, enhance customer satisfaction and trust, and lead to future high-value project opportunities.

#### 3. Advancing Emerging Technologies and Expanding into High-Potential Industries

The Group will accelerate the development of emerging technologies, including Data Platform & Analytics and Sovereign Cloud, while expanding its customer base into high-investment industries such as financial services, insurance, energy, healthcare, and the public

sector. At the same time, the Group will continue to reskill and upskill its workforce in AI & Data Engineering to build a sustainable competitive advantage.

With these strategies, together with a strong backlog base and the recovery in operating performance in Q1 2026, the Group is confident in its ability to sustain growth and deliver strong long-term returns to shareholders. Based on the current backlog composition and active pipeline, the Group expects continued revenue growth and gross profit margin improvement through 2026, driven by an increasing proportion of software development services and enhanced delivery productivity.

**Corporate sustainability**

The Group aims to operate its business in accordance with sustainability, which encompasses three major dimensions: economy, society, and environment. Over the past year, the Group has implemented various initiatives to enhance sustainability, including reducing greenhouse gas emissions, promoting employee health and safety, participating in sustainability data quality development programs for listed companies, and supporting local communities through development projects. These efforts reflect the Group’s commitment to growth that considers stakeholders across all dimensions.

Additionally, the Group prioritizes continuous employee capability development through various training programs, including support for professional certifications to adapt to technological changes and enhance resource management efficiency. Furthermore, the Group collaborates with business partners to exchange knowledge and innovative ideas.

In Q1 2026, the Group continued to integrate sustainability into its operations across economic, social, and environmental dimensions. CSR activities during the quarter included educational support for underprivileged youth through the Baan Nokkamin Foundation, a Data Center Facility Management knowledge-sharing program with the University of the Thai Chamber of Commerce, and an internal donation drive in recognition of International Women's Day. These initiatives reflect the Group's commitment to "Growing Sustainably" building long-term value for shareholders, employees, communities, and partners under the vision "Evolving as One."

