No.ITNSmai 6908-01

August 13, 2026

RE: Management Discussion and Analysis for the three-month and six-month period ended June 30, 2026

To: Director and Manager of the Stock Exchange of Thailand

International Network System Public Company Limited (the "Company") would like to submit a report on the Management's Discussion and Analysis for 3 months and 6 months ended June 30, 2026, as follows:

Summary of operating results for 3 months ended June 30, 2026

Operational results	Quarterly Amount (Million Baht)			Increase (decrease) change			
				QoQ		YoY	
	Q2-26	Q1-26	Q2-25	Million Baht	%	Million Baht	%
Revenue from sales and services							
1. Revenue from selling equipment and installation services	145.63	163.76	94.70	(18.13)	(11.07)	50.93	53.78
2. Revenue from repair services and maintenance of equipment	26.56	26.17	27.49	0.39	1.49	(0.93)	(3.38)
3. Revenue from equipment rental	0.70	2.56	2.03	(1.86)	(72.66)	(1.33)	(65.52)
Total revenue from sales and services	**172.89**	**192.49**	**124.22**	**(19.60)**	**(10.18)**	**48.67**	**39.18**
Other revenue	0.03	0.13	0.18	(0.10)	(76.92)	(0.15)	(83.33)
Total revenue	**172.92**	**192.62**	**124.40**	**(19.70)**	**(10.23)**	**48.52**	**39.00**
Cost of sales and services	152.50	174.40	102.76	(21.90)	(12.56)	49.74	48.40
Gross profit	**20.39**	**18.09**	**21.46**	**2.30**	**12.71**	**(1.07)**	**(4.99)**
Cost of distribution	5.12	5.07	5.76	0.05	0.99	(0.64)	(11.11)
Administrative expenses	6.89	7.10	6.01	(0.21)	(2.96)	0.88	14.64
Profit before finance cost and corporate income tax	**8.41**	**6.05**	**9.87**	**2.36**	**39.01**	**(1.46)**	**(14.79)**
Profit share in joint venture	0.50	0.50	0.45	0.00	0.00	0.05	11.11
Finance revenue	1.30	1.05	0.85	0.25	23.81	0.46	54.94
Finance cost	(0.91)	(0.47)	(0.01)	0.44	93.62	0.90	9,000.00
Profit before corporate income tax	**9.30**	**7.13**	**11.16**	**2.17**	**30.43**	**(1.86)**	**(16.67)**
Corporate income tax revenue (expense)	(1.73)	(1.31)	(2.24)	0.42	32.06	(0.51)	(22.77)
Net profit for the period	**7.57**	**5.82**	**8.92**	**1.75**	**30.07**	**(1.35)**	**(15.13)**

Summary of operating results for 6 months ended June 30, 2026

Operational results	Amount (Million Baht)		Increase (decrease) change	
			YoY	
	H1-26	H1-25	Million Baht	%
Revenue from sales and services				
1. Revenue from selling equipment and installation services	309.38	185.26	124.12	67.00
2. Revenue from repair services and maintenance of equipment	52.73	56.14	(3.41)	(6.07)
3. Revenue from equipment rental	3.26	4.13	(0.87)	(21.07)
Total revenue from sales and services	**365.37**	**245.53**	**119.84**	**48.81**
Other revenue	0.17	0.22	(0.05)	(22.73)
Total revenue	**365.54**	**245.75**	**119.79**	**48.74**
Cost of sales and services	326.90	205.66	121.24	58.95
Gross profit	**38.47**	**39.87**	**(1.40)**	**(3.51)**
Cost of distribution	10.19	11.94	(1.75)	(14.66)
Administrative expenses	13.99	11.62	2.37	20.40
Profit before finance cost and corporate income tax	**14.46**	**16.53**	**(2.07)**	**(12.52)**
Profit share in joint venture	0.99	0.90	0.09	10.00
Finance revenue	2.36	1.74	0.62	35.63
Finance cost	(1.38)	(0.01)	1.37	13,700.00
Profit before corporate income tax	**16.43**	**19.16**	**(2.73)**	**(14.25)**
Corporate income tax revenue (expense)	(3.04)	(3.73)	(0.69)	(18.50)
Net profit for the period	**13.39**	**15.43**	**(2.04)**	**(13.22)**

In Q2/2026, the Company's total revenue amounted to Baht 172.92 million, representing an increase of 39.00% compared with the same period last year (YoY), primarily driven by higher project deliveries and the continued recognition of revenue from backlog. However, total revenue decreased by 10.23% compared with the previous quarter (QoQ), mainly due to differences in the timing of project deliveries and revenue recognition across projects in each quarter.

During the first six months of 2026, the Company's total revenue amounted to Baht 365.37 million, representing an increase of 48.81% compared with the same period last year (YoY). The increase reflected continued growth driven by higher project deliveries and effective backlog management, which remained a key factor supporting the Company's sustainable growth.

In Q2/2026, the Company's net profit amounted to Baht 7.57 million, representing an increase of 30.07% compared with the previous quarter (QoQ), but a decrease of 15.13% compared with the same period last year (YoY). During the first six months of 2026, the Company's net profit amounted to Baht 13.39 million, representing a decrease of 13.22% compared with the same period last year (YoY). The fluctuations in net profit across the quarters were consistent with the nature of the Company's project-based business, where profitability may vary depending on the type, size, and contractual terms of the projects recognized in each reporting period, as well as the competitive business environment in maintaining and expanding the Company's customer base.

Nevertheless, the Company remains confident that its continued business expansion, the delivery of technology solutions that effectively meet customers' needs, its ability to adapt to the evolving business environment, and efficient cost and expense management will continue to be key drivers of sustainable long-term growth and profitability. The Company expects its operating results to improve in the second half of 2026, supported by the continued recognition of revenue from backlog and ongoing opportunities to secure new projects.

As of June 30, 2026, the Company had an outstanding backlog of approximately Baht 265 million, consisting of ongoing projects and system maintenance service contracts pending delivery to customers. The backlog is expected to be progressively recognized as revenue from 2026 through 2032. This backlog reflects the continuity and stability of the Company's future revenue stream, as well as customers' continued confidence in the Company's operational capabilities.

Total revenue

Business type	Quarterly Amount (Million Baht)			Increase (decrease) change			
				QoQ		YoY	
	Q2-26	Q1-26	Q2-25	Million Baht	%	Million Baht	%
Revenue from sales and services							
1. Revenue from selling equipment and installation services	145.63	163.76	94.70	(18.13)	(11.07)	50.93	53.78
2. Revenue from repair services and maintenance of equipment	26.56	26.17	27.49	0.39	1.49	(0.93)	(3.38)
3. Revenue from equipment rental	0.70	2.56	2.03	(1.86)	(72.66)	(1.33)	(65.52)
Total revenue from sales and services	**172.89**	**192.49**	**124.22**	**(19.60)**	**(10.18)**	**48.67**	**39.18**
Other revenue[1]	0.03	0.13	0.18	(0.10)	(76.92)	(0.15)	(83.33)
Total revenue	**172.92**	**192.62**	**124.40**	**(19.70)**	**(10.23)**	**48.52**	**39.00**

Note:

1. Other revenue consists of Cisco marketing support, profit from exchange rates and income from loan guarantee fee etc.

For the three months of Q2/2026, the Company recorded total revenue of Baht 172.92 million. The majority of revenue was derived from the sale of equipment and installation services, accounting for 84.22% of total revenue. Revenue from post-sale system maintenance and support services accounted for 15.36%, while the remaining 0.40% was generated from equipment rental services. In terms of customer base, revenue from sales and services was distributed across both public and private sector clients, as follows:

Revenue structure	Quarterly Amount (Million Baht)			Increase (decrease) change			
				QoQ		YoY	
	Q2-26	Q1-26	Q2-25	Million Baht	%	Million Baht	%
Revenue from sales and services							
1. Revenue from government sector	126.36	165.49	44.88	(39.13)	(23.64)	81.48	181.55
2. Revenue from private sector	46.53	27.00	79.34	19.53	72.33	(32.81)	(41.35)
Total revenue from sales and services	**172.89**	**192.49**	**124.22**	**(19.60)**	**(10.18)**	**48.67**	**39.18**

According to the revenue structure presented for the three months of Q2/2026, the majority of the Company's revenue from sales and service was derived mainly from projects executed for public sector clients. This was primarily due to the completion and delivery of work from the existing backlog during the period.

Nevertheless, the Company continues to pursue a strategy of diversifying its customer base to mitigate the risks associated with overreliance on any single client segment. This strategy is intended to enhance the stability of the Company's revenue streams and strengthen its long-term profitability.

Revenue from sales and services

Revenue from selling equipment and installation services

For the three months of Q2/2026, the Company recorded revenue from equipment sales and installation services of Baht 145.63 million, reflecting a decrease of Baht 18.13 million or 11.07% compared with the previous quarter, and an increase of Baht 50.93 million or 53.78% compared with the same period of the previous year. This growth was driven by the retention of existing customers combined with the expansion of the customer base in both the public and private sectors, reflecting customers' confidence in the Company's solutions and services.

As of the end of Q2/2026, the Company had a backlog of approximately Baht 106.94 million, which expected to be recognized as revenue in the subsequent periods. The backlog reflects a solid revenue base that supports the Company's ongoing operations and future growth.

Revenue from repair and maintenance services

For the three months of Q2/2026, the Company recorded revenue from repair and maintenance services amounting to Baht 26.56 million, representing an increase of Baht 0.39 million or 1.49% compared with the previous quarter. The increase was primarily due to the recognition of revenue from newly awarded service contracts commencing in Q2/2026, and a decrease of Baht 0.93 million, or 3.38% compared with the same period of the previous year, mainly driven by the expiration of some service contracts during the period.

As of the end of Q2/2026, the Company had confirmed repair and maintenance service contracts from customers, totaling approximately Baht 157.04 million, which had not yet commenced. These contracts will be recognized as revenue on a straight-line basis over the service periods. This reflects the Company's recurring revenue base, which is expected to support the continuity of its operating results in the future.

Revenue from equipment rental

For the three months of Q2/2026, the Company recorded revenue from equipment rental services amounted to Baht 0.70 million, representing a decrease of Baht 1.86 million or 72.66% compared with the previous quarter and a decrease of Baht 1.33 million or 65.52% compared with the same period of the previous year. The decline was mainly due to the expiration of certain rental contracts during the period.

As of the end of Q2/2026, the Company had confirmed equipment rental contracts from customers totaling approximately Baht 1.35 million that had not yet commenced. Revenue from these contracts will be recognized on a straight-line basis over the rental period.

Cost of sales and services and gross profit

Cost of sales and services and gross profit	Quarterly Amount (Million Baht)			Increase (decrease) change			
				QoQ		YoY	
	Q2-26	Q1-26	Q2-25	Million Baht	%	Million Baht	%
Revenue from sales and services	172.89	192.49	124.22	(19.60)	(10.18)	48.67	39.18
Cost of sales and services	152.50	174.40	102.76	(21.90)	(12.56)	49.74	48.40
Gross profit	**20.39**	**18.09**	**21.46**	**2.30**	**12.71**	**(1.07)**	**(4.99)**

For the three months of Q2/2026, the cost of sales and services was Baht 152.50 million, representing 88.19% of the total revenue from sales and services, The amount decreased by Baht 21.90 million or 12.56% compared with the previous quarter and the amount increased by Baht 49.74 million, or 48.40% compared with the same period of the previous year. The changes in cost of sales and services were in line with the increase and decrease in revenue during each period.

For Q2/2026, the Company recorded gross profit was Baht 20.39 million. This represents an increased of Baht 2.30 million, or 12.71% compared with the previous quarter and a decreased by Baht 1.07 million, or 4.99% compared with the same period of the previous year. These fluctuations in gross profit are attributable to the varying nature of projects delivered in each quarter, causing the gross profit structure and margin to shift according to the specific characteristics of each project type.

Cost of distribution

For the three months of Q2/2026, the Company had cost of distribution Baht 5.12 million, accounted for 2.96% of the total revenue, The amount increased by Baht 0.05 million or 0.99% compared with the previous quarter, primarily due to website development expenses incurred to support sales, and a decreased by Baht 0.64 million or 11.11% compared with the same period of the previous year, Which resulted primarily from lower commission and entertainment expenses. The changes in selling expenses were in line with the Company's marketing activities and business operations during each period.

Administrative expenses

For the three months of Q2/2026, the Company recorded administrative expenses of Baht 6.89 million, representing 3.98% of total revenue. This amount decreased by approximately Baht 0.21 million or 2.96% compared with the previous quarter and the amount increased by Baht 0.88 million or 14.64% compared with the same period of the previous year, primarily due to higher bank fees incurred in connection with obtaining credit facilities to support the Company's business operations and project expansion.

Net Profit

For the three months of Q2/2026, the Company had a net profit of Baht 7.57 million, or a net profit margin of 4.38% of the total revenue, this was an increase of Baht 1.75 million or 30.07% compared with the previous quarter, and a decrease of Baht 1.35 million or 15.13% compared with the same period of the previous year.

The key factors affecting the Company's net profit in each period were the characteristics of the projects delivered. As the Company's business is project-based, profitability may vary from period to period depending on the type, size, and contractual terms of the projects for which revenue is recognized during each reporting period.

Nevertheless, the Company remains focused on enhancing operational efficiency and adapting to prevailing economic conditions to capture new business opportunities and strengthen its ability to expand into new market segments. At the same time, the Company continues to expand its customer base while maintaining strong relationships with existing customers to ensure sustainable long-term revenue and profit generation.

Financial position analysis

Total assets

Particular	Balance (Million Baht)		Increase (decrease) change	
	As of June 30, 2026	As of December 31, 2025	Amount (Million Baht)	%
Current assets	404.42	456.20	(51.78)	(11.35)
Non-current assets	241.28	245.22	(3.94)	(1.61)
Total assets	645.70	701.42	(55.72)	(7.94)

As of June 30, 2026, the Company had total assets of Baht 645.70 million, a decrease from Baht 701.42 million at the end of 2025. The Company's key assets comprise Cash and cash equivalents, Trade and other receivables, Contract assets, Lease receivables, Inventories, Prepaid expenses, Restricted bank deposits, Other non-current financial assets, Long-term loans to related parties, and property and equipment, which together accounted for 99.27% of total assets. The details of the Company's key assets are as follows:

Account receivables

Account receivables	Balance (Million Baht)		Increase (decrease) change	
	As of June 30, 2026	As of December 31, 2025	Amount (Million Baht)	%
Receivables with the debt which is not yet due	67.57	26.54	41.03	154.60
Overdue				
Less than 3 months	27.30	3.37	23.93	710.09
Over than 3-6 months	-	18.60	(18.60)	(100.00)
Over than 6-12 months	9.00	-	9.00	100.00
Total account receivables	**103.87**	**48.51**	**55.36**	**114.12**

As of June 30, 2026, the Company had total account receivables of Baht 103.87 million, representing 16.09% of total assets, of which Baht 67.57 million was not yet due, representing 65.05% of total account receivables. The average debt collection period was approximately 38 days, which is consistent with the credit term for the Company's customers of approximately 30 - 90 days.

Trade receivables overdue for not more than 3 months accounted for 26.28% of total trade receivables. The delays in collection were mainly attributable to customers' different payment cycles and internal payment approval procedures. Trade receivables overdue for more than 6 months but not exceeding 12 months accounted for 8.67% of total trade receivables, primarily due to delays experienced by certain customers in delivering their projects to end customers, resulting in requests for extended credit terms. Nevertheless, the Company has assessed the creditworthiness of these customers and obtained confirmation that the outstanding balances will be fully settled within 120 days from the original due dates.

In addition, the Company had other current receivables of Baht 4.55 million, which consisted of interest receivables and other receivables.

Inventories

As of 30 June 2026, the Company's inventories amounted to Baht 98.38 million, a decrease of Baht 130.83 million compared with the balance as of the end of 2025. The decrease was primarily attributable to project deliveries to customers, resulting in a reduction in inventories allocated for projects, which was in line with the Company's operations and revenue growth during the period.

Prepaid expenses

As of June 30, 2026, the Company had prepaid expenses Baht 51.94 million, representing 8.04% of the total assets. The majority of these expenses were attributable to prepaid service costs, which involved repair and maintenance of equipment, insurance purchases to secure trade discounts, and warranty fees paid in advance under Service-Type Warranty contracts.

In addition, Non-current prepaid expenses amounted to Baht 42.80 million, representing 6.63% of the total assets. Most of these prepaid expenses were incurred from prepaid service costs with a period exceeding one year.

Total liabilities

Particular	Balance (Million Baht)		Increase (decrease) change	
	As of June 30, 2026	As of December 31, 2025	Amount (Million Baht)	%
Current liabilities	177.58	220.10	(42.52)	(19.32)
Non-current liabilities	22.95	14.63	8.32	56.87
Total liabilities	200.53	234.73	(34.20)	(14.57)

As of June 30, 2026, the Company had total liabilities of Baht 200.53 million, representing a decrease of Baht 34.20 million or 14.57% compared with the end of 2025. The Company's significant liabilities comprised Short-term loans from financial institutions, Account payables and other payables, Contract liabilities, Deferred tax liabilities and Provision for long-term employee benefits, collectively accounted for 99.93% of the total liabilities. The details of the significant liabilities are as follows:

Short-term loans from financial institutions

The Company had short-term borrowings from financial institutions totaling Baht 56.40 million, an increase of Baht 36.40 million from the end of 2025. The borrowings were used to support the execution of projects in the Company's backlog, including the procurement of materials and equipment, installation costs, and working capital requirements during project implementation, enabling the Company to deliver the projects in accordance with the planned schedules.

The use of these borrowings reflects the Company's prudent liquidity management in line with the nature of its project-based business, where the timing of revenue recognition and cash collections varies across projects. The Company continues to manage its debt obligations prudently and maintains an appropriate level of borrowing to support business expansion without compromising its long-term financial stability.

Account payables and other payables

The Company had accounts payable and other payables, which included trade payables, other payables, project cost payables, accrued expenses and other current liabilities. As of the end of Q2/2026, the Company's accounts payable and other payables amounted to Baht 74.19 million, representing 37.00% of total liabilities. The breakdown of these payables is detailed below.

Account payables and other payables	Balance (Million Baht)		Increase (decrease) change	
	As of June 30, 2026	As of December 31, 2025	Amount (Million Baht)	%
Account payables	59.18	133.80	(74.62)	(55.77)
Other payables	0.72	0.39	0.33	84.62
Project cost payables	4.17	4.62	(0.45)	(9.74)
Accrued expenses	6.56	4.70	1.86	39.57
Other current payables[1]	3.56	2.32	1.24	53.45
Total account payables and other payables	**74.19**	**145.83**	**(71.64)**	**(49.13)**

Note:

1. Other current payables consisted of the Revenue Department, accrued withholding tax, and undue output tax etc.

Account payables are payables arising from outstanding payments for products purchased by the Company for use in the equipment distribution project, which is not yet due as of June 30, 2026. The Company's trade and other payables decreased by Baht 71.64 million from the end of 2025, with the decrease mainly resulting from payments to trade payables and outstanding project costs that the Company has made as scheduled.

Contract liabilities

As of June 30, 2026, the Company had current contract liabilities from deferred revenue and deposits from service contracts, which are due within one year, amounting to Baht 46.85 million, representing 23.36% of the total liabilities. Additionally, the Company had contract liabilities due in over one year totaling Baht 12.92 million, representing 6.44% of total liabilities.

Shareholders' equity

As of June 30, 2026, the Company's shareholders' equity was Baht 445.18 million, representing 68.94% of total liabilities and shareholders' equity.

On April 27, 2026, the Annual General Meeting of Shareholders approved the payment of a dividend for the 2025 operating results at the rate of Baht 0.167 per share (for 209 million shares), totaling Baht 34.90 million. The dividend was funded from the Company's operating cash flow and was paid on May 21, 2026.

Liquidity and adequacy of funds

Cash flow analysis

The Company has effectively managed its liquidity and working capital, utilizing cash flow from operations to fund operating activities, debt repayment, and investment initiatives. A summary of the Company’s cash flow statement for the first 6 months of 2026 is as follows:

Cash flow from operating activities:

During the first six months of 2026, the Company's net cash used in operating activities amounted to Baht 4.18 million, primarily due to an increase in trade and other receivables of Baht 44.99 million, an increase in prepaid expenses of Baht 17.37 million, a decrease in inventories of Baht 130.83 million, and a decrease in trade and other payables of Baht 71.68 million.

Cash flow from investing activities:

During the first six months of 2026, the Company's net cash provided by investing activities amounted to Baht 20.48 million. The principal sources of cash inflows were a decrease in pledged bank deposits of Baht 15.50 million, repayments of loans to a joint venture amounting to Baht 3.13 million, and profit distributions received from a joint venture amounting to Baht 1.60 million.

Cash flow from financing activities:

During the first six months of 2026, the Company's net cash provided by financing activities amounted to Baht 0.15 million. The significant financing activities included short-term borrowings from financial institutions of Baht 165.84 million to enhance liquidity management and support the Company's ongoing project expansion. During the period, the Company repaid such borrowings amounting to Baht 129.45 million and paid dividends of Baht 34.89 million and interest payments of Baht 1.35 million.

Summary of ending cash flow:

As of June 30, 2026, the Company had cash and cash equivalents of Baht 75.70 million, an increase of Baht 16.46 million from the end of 2025. Net cash inflows from investing and financing activities offset the net cash outflows used in operating activities and dividend payments during the period. The Company continues to manage liquidity efficiently, maintaining sufficient liquidity to support ongoing operations and future growth opportunities.

It is informed for your kind acknowledgment.

Yours Truly

- Signature -

(Miss Nattaya Nanthawanid)

Chief Financial and Human Resources Officer

International Network System Public Company Limited