Management Discussion and Analysis

Q2/2026

SIRISOFT PUBLIC COMPANY LIMITED

คำอธิบายและวิเคราะห์ของฝ่ายจัดการ
ไตรมาสที่ 2 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 and customized solutions 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 user experiences. 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 endpoint 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 (December 2025) and the 2024 Thailand Digital Industry Survey conducted by the Digital Economy Promotion Agency (depa) in collaboration with IMC Institute, Thailand's digital industry continued to demonstrate strong growth momentum. In 2024, the four key segments: Hardware & Smart Devices, Digital Services, Digital Content, and Software, expanded by 26.62%, 19.54%, 14.41%, and 8.46%, respectively, with the total industry value expected to reach 3 trillion baht by 2027, supported by AI as a key growth driver. Krungthai COMPASS projects Thailand's IT services industry to grow by 5.30%, 5.80%, and 6.50% in 2025-2027, respectively, driven by rising demand for Public Cloud and Cybersecurity solutions across both public and private sectors. Industry profitability is also expected to improve, supported by IT investment related to Virtual Banks, AI Transformation, and Cloud Migration, which continue to enhance operational efficiency and accelerate digital transformation. These trends provide a supportive backdrop for service providers with strong capabilities in software development, cloud, data, and cybersecurity to capture higher-value growth opportunities.

On the talent side, the depa and IMC Institute survey showed continued expansion in Thailand's digital workforce. Software professionals increased by 23.77% to 175,254, while the Digital Services workforce grew by 6.23% to 86,177, reflecting rising demand for capabilities in digital platform development and Data Analytics; key enablers of Thailand's transition toward a digital economy.

The digital industry can be categorized into the following key segments:

1. Software & Software Services

This segment recorded a total market value of 233,386 million baht, representing 8.46% growth from the previous year. Software services continued to demonstrate strong momentum, supported by increasing business adoption of data-driven operations and a higher share of domestically developed software. This trend is consistent with depa's projection that Thailand's software industry will grow by an average of 4-6% annually during 2025-2027. Cloud-based and SaaS solutions are expected to remain key growth drivers, supported by recurring service models, scalability, and continuous enhancement through real-world usage. These developments create attractive opportunities for software service providers to capture higher-value and more sustainable revenue growth.

2. Digital Services Industry

This segment recorded a total market value of 367,738 million baht, representing strong growth of 19.54%, primarily driven by expansion in e-Retail and e-Logistics services. FinTech and HealthTech remain in the early stages of investment and user-base expansion, with further revenue potential expected as these businesses mature and scale. Employment in the digital services industry, particularly FinTech, also continued to expand significantly, reflecting strong demand for diverse digital capabilities to support service development and operational efficiency. These trends reinforce the long-term growth potential of digital services and create opportunities for technology providers to support increasingly sophisticated digital business models.

3. Hardware & Smart Devices Industry

This segment reached a total market value of 1.85 trillion baht, representing strong growth of 26.62% from 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 support for investments in semiconductors and electric vehicles (EVs) continues to strengthen the industry's long-term competitiveness. At the same time, demand for data storage solutions and Data Center services continues to expand alongside accelerating digital transformation. Looking ahead, the segment is expected to grow by an average of 6-7% annually during 2025-2027, creating further opportunities across digital infrastructure and related technology services.

Financial Performance Summary for the Second Quarter of 2026

Unit: million baht	3-month		QoQ		3-month	YoY	
Overall Group performance	**Q2 2026**	**Q1 2026**	**Amount**	**%**	**Q2 2025**	**Amount**	**%**
Revenues from sales and services	340.43	217.29	123.14	56.67%	189.47	150.96	79.67%
Costs of sales and services	(264.18)	(167.54)	(96.64)	57.68%	(157.55)	(106.63)	67.68%
Gross profit	**76.25**	**49.75**	**26.50**	**53.27%**	**31.92**	**44.33**	**138.88%**
Other income	0.97	1.56	(0.59)	(37.82%)	5.84	(4.87)	(83.39%)
Selling expenses	(13.15)	(11.39)	(1.76)	15.45%	(10.56)	(2.59)	24.53%
Administrative expenses	(35.58)	(37.57)	1.99	(5.30%)	(35.57)	(0.01)	0.03%
Provision for loss from onerous contract	4.28	3.19	1.09	34.17%	12.04	(7.76)	(64.45%)
Operating profit (loss)	**32.77**	**5.54**	**27.23**	**491.52%**	**3.67**	**29.10**	**792.92%**
Finance cost	(1.64)	(1.71)	0.07	(4.09%)	(1.73)	0.09	(5.20%)
Profit (loss) before income tax	**31.13**	**3.83**	**27.30**	**712.79%**	**1.94**	**29.19**	**1504.64%**
Tax income (expense)	(5.80)	(1.54)	(4.26)	276.62%	(0.25)	(5.55)	2220.00%
Profit (loss) for the period	**25.33**	**2.29**	**23.04**	**1006.11%**	**1.69**	**23.64**	**1398.82%**
Basic Earnings (Loss) Per Share (Baht/Share)	0.16	0.01	0.15	1500.00%	0.01	0.15	1500.00%
Gross Profit Margin (%)	22.40%	22.90%	(0.50%)		16.85%	5.55%	
EBITDA Margin (%)	13.26%	8.40%	4.86%		8.10%	5.16%	
Adjusted EBITDA Margin* (%)	11.15%	4.29%	6.86%		3.25%	7.90%	
EBIT Margin (%)	9.63%	2.55%	7.08%		1.94%	7.69%	
Net Profit Margin (%)	7.44%	1.05%	6.39%		0.89%	6.55%	

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

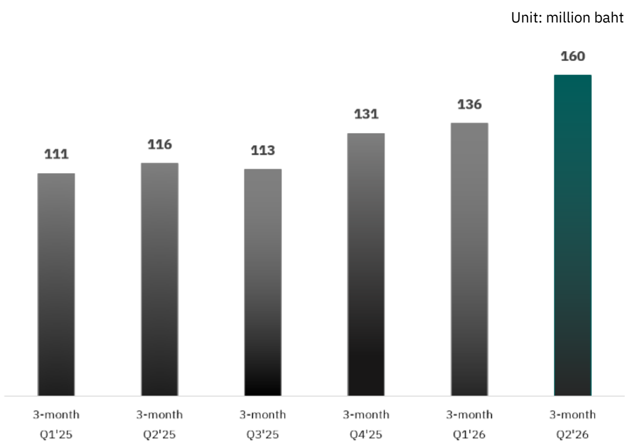
*Note: Financial ratios were calculated based on revenue from sales and services only, excluding other income.

Unit: million baht	3-month		QoQ		3-month	YoY	
Type of products or services	**Q2 2026**	**Q1 2026**	**Amount**	**%**	**Q2 2025**	**Amount**	**%**
Sales of hardware and software licenses	136.21	118.13	18.08	15.31%	104.17	32.04	30.76%
Implement and develop software services	184.31	88.53	95.78	108.19%	75.64	108.67	143.67%
Maintenance and support services	10.80	10.63	0.17	1.60%	9.66	1.14	11.80%
Staffing services**	9.11	-	9.11	100.00%	-	9.11	100.00%
Total	**340.43**	**217.29**	**123.14**	**56.67%**	**189.47**	**150.96**	**79.67%**

**Staffing service revenue has historically formed part of the Group's existing revenue streams and, from Q2 2026 onward, is presented separately to better reflect the composition of the Group's revenue.

Recurring revenue

The quarterly increase in recurring revenue



Recurring revenue consists of software license, system maintenance and staffing services, provided in the form of monthly and annual contracts

In Q2 2026, recurring revenue reached 159.74 million baht, increasing by 23.25 million baht or 17.03% from the previous quarter and marking the highest level in six quarters. The growth was primarily driven by higher infrastructure and cloud service revenue under ongoing service contracts, software license renewals and increased demand from both existing and new customers, as well as continued growth in maintenance and staffing service revenue.

For the first half of 2026, recurring revenue accounted for 53.11% of total revenue, further strengthening the Group's revenue visibility and stability alongside growth from large-scale projects. A stronger recurring revenue base helps reduce earnings volatility, supports the ongoing earnings recovery, and provides a solid foundation for sustainable and profitable growth over the long term.

Financial Performance for the three-month period of Q2 2026 compared with Q1 2026 (QoQ)

Compared to Q1 2026, the Group's revenue from sales and services in Q2 2026 increased by 123.14 million baht, or 56.67%. The growth was primarily driven by a significant increase in software development service revenue of 95.78 million baht, or 108.19%, supported by continued delivery of high-value, large-scale government projects. Product and software license sales also increased by 18.08 million baht, or 15.31%, supported by revenue recognition from the Government Data Center and Cloud Service (GDCC) project and product and software license deliveries during the quarter. Maintenance service revenue increased by 0.17 million baht, or 1.60%, while staffing service revenue amounted to 9.11 million baht. Overall, the strong revenue expansion reflects continued earnings recovery and broader growth across the Group's service portfolio.

Gross profit amounted to 76.25 million baht, increasing by 26.50 million baht, or 53.27%, from the previous quarter. Gross profit margin remained resilient at 22.40%, broadly in line with 22.90% in Q1 2026, supported by a high contribution from software development services, which carry structurally higher margins than product and software license sales, together with the absence of newly recognized provisions for losses on contracts during the period.

As a result, the Group reported a net profit of 25.33 million baht in Q2 2026, increasing by 23.04 million baht, or 1,006.11%, from 2.29 million baht in the previous quarter. The improvement was driven by strong revenue and operating profit growth, disciplined cost and expense management, and a 4.28 million baht reversal of provisions for onerous contracts, further reinforcing the Group's profitable growth and earnings recovery.

Financial Performance for the three-month period of Q2 2026 compared with Q2 2025 (Q2 YoY)

In Q2 2026, the Group recorded total revenue from sales and services of 340.43 million baht, an increase of 150.96 million baht, or 79.67%, compared to the same period last year. The growth was primarily driven by a significant increase in software development service revenue of 108.67 million baht, or 143.67%, following revenue recognition from large-scale government projects delivered during the period. Product and software license sales also increased by 32.04 million baht, or 30.76%, while maintenance service revenue rose by 1.14 million baht, or 11.80%, reflecting broad-based revenue growth alongside a stable recurring revenue base.

Gross profit increased by 44.33 million baht, or 138.88%, year-on-year, while gross profit margin improved from 16.85% to 22.40%. The improvement was mainly driven by a more favorable revenue mix, particularly the higher contribution from software development services, together with effective cost management.

Selling and administrative expenses totaled 48.73 million baht, increasing by only 2.60 million baht from the same period last year. The increase was mainly attributable to higher selling expenses of 2.59 million baht to support revenue growth and business expansion, while administrative expenses remained broadly stable. During the quarter, the Group also recorded a 4.28 million baht reversal of provisions for onerous contracts, compared with 12.04 million baht in the same period last year, reflecting continued project cost monitoring and discipline.

As a result, the Group reported a net profit of 25.33 million baht in Q2 2026, an increase of 23.64 million baht year-on-year. The strong improvement reflects continued earnings recovery, supported by robust revenue growth, higher gross profit margin, disciplined cost management, and the absence of newly recognized provisions for onerous contracts during the period.

Financial Performance for the six-month period ended June 30, 2026

For the six-month period of 2026, the Group recorded total revenue from sales and services of 557.72 million baht, primarily driven by growth in software development services and large-scale government projects. Gross profit amounted to 126.00 million baht, with a gross profit margin of 22.59%, while net profit reached 27.62 million baht. The results reflect continued profitable growth, supported by a broader customer base and stronger profitability.

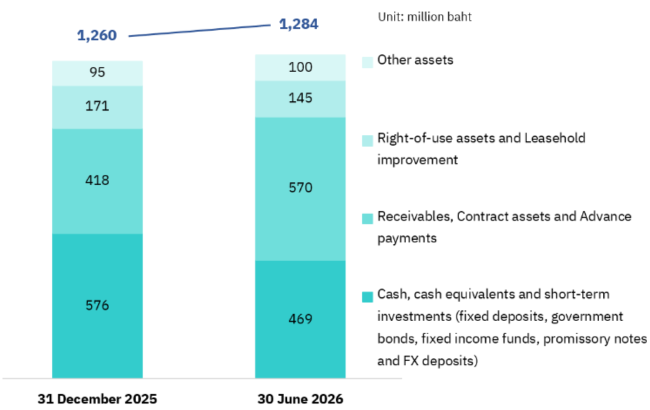
In 2026, the Group continues to enhance its organizational capabilities by focusing on high-quality delivery and services that create long-term value for customers. This approach aims to build a stronger and more sustainable growth foundation. A key initiative is to increase the proportion of software 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



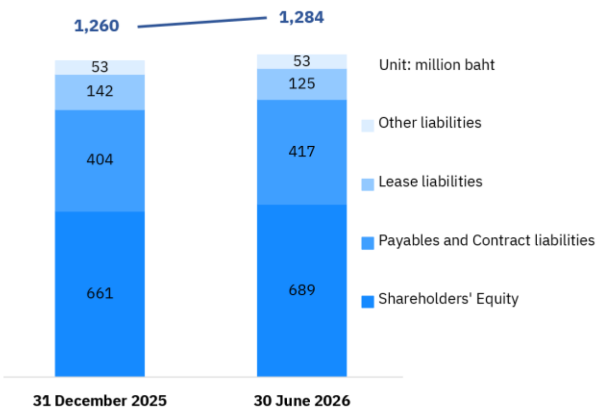
Assets

As of June 30, 2026, the Group reported total assets of 1,283.76 million baht, an increase of 23.92 million baht, or 1.90%, compared to December 31, 2025. The change was primarily attributable to the following factors:

1. Trade and other receivables, including contract assets and advance payments for services, increased by a total of 152.30 million baht, in line with revenue growth and ongoing project execution. The increase comprised: 1) a 15.69 million baht increase in trade and other receivables, reflecting higher revenue during the period; 2) a 122.88 million baht increase in contract assets, or accrued revenue, from revenue recognized but not yet billed; and 3) a 13.73 million baht increase in advance payments for services, mainly from prepaid software license and hardware costs for projects scheduled for delivery in the coming periods.

2. Cash, cash equivalents and short-term investments (fixed deposits, government bonds, fixed-income funds, promissory notes and FX deposits) decreased by 107.33 million baht. The decrease was mainly attributable to net cash used in operating activities of 88.24 million baht to support ongoing operations and upcoming project deliveries, together with net cash used in financing activities of 19.79 million baht, primarily from normal lease liability repayments.

Liabilities and shareholders' equity



Liabilities

As of June 30, 2026, the Group reported total liabilities of 594.72 million baht, a decrease of 3.71 million baht, or 0.62%, compared to December 31, 2025. The change was mainly attributable to the following factors:

1. Lease liabilities decreased by 16.57 million baht, reflecting normal repayments under the Group's office lease agreements.

2. Contract liabilities (deferred revenue) decreased by 32.00 million baht from the end of the previous year, mainly due to the progressive recognition of software license revenue in accordance with contractual terms during the period.

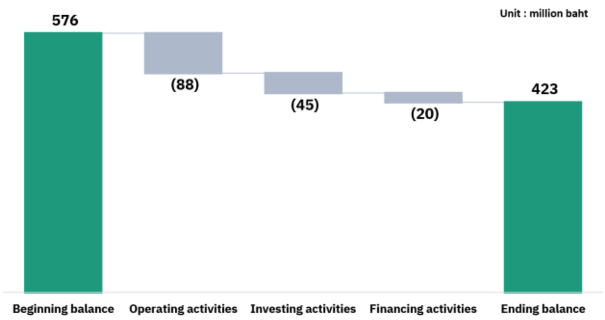
3. Trade and other payables increased by 44.17 million baht, in line with higher purchases of goods and software licenses to support revenue growth and project deliveries during the period.

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

Shareholders' equity

As of June 30, 2026, the Group's total shareholders' equity stood at 689.04 million baht, an increase of 27.63 million baht from the end of 2025, mainly driven by net profit recorded during the period. The Group continues to maintain a strong equity base, providing solid financial capacity to support future business expansion and sustainable growth.

Cash flow statement



As of June 30, 2026, the Group had cash and cash equivalents, excluding short-term investments, totaling 423.63 million baht, a decrease of 152.73 million baht from the end of 2025. Including short-term investments of 45.50 million baht, total cash and short-term investments amounted to 469.13 million baht, consistent with the amount presented in the statement of financial position. The main factors contributing to the change in cash flows were:

- Net cash used in operating activities amounted to 88.24 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 45.04 million baht, primarily from short-term investments in promissory notes of 40.00 million baht and foreign currency deposits of 5.50 million baht.
- Net cash used in financing activities amounted to 19.79 million baht, mainly from lease liability repayments of 16.58 million baht and finance cost payments of 3.21 million baht.

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

(Unit: million baht) Type of products or service	30 June 2026	31 December 2025
Sales of hardware and software licenses	437.40	518.02
Implement and develop software services	266.77	182.14
Maintenance and support services	152.37	39.12
Total	**856.54**	**739.28**

As of June 30, 2026, the Group reported a total backlog of 856.54 million baht, an increase of 117.26 million baht, or 15.86%, from the end of 2025. The increase was primarily driven by software development services, with backlog rising by 84.63 million baht, or 46.46%, supported by large-scale government projects, despite the expiration of certain software license contracts. Maintenance and support backlog also rose sharply, from 39.12 to 152.37 million baht, following new multi-year maintenance contracts secured during the period.

Software development backlog has an average duration of no more than 1 year, while maintenance services and product and software licensing projects have an average duration of no more than 3 years. Of the total backlog, the Group expects more than half to be recognized as revenue within the next 6 months, providing solid near-term revenue visibility. While the current backlog is weighted toward the public sector, the Group continues to develop opportunities in financial services, insurance, and energy to broaden its revenue base and support sustainable medium-term growth.

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 from Q2 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 remains committed to sustainable business practices across three key dimensions: economic, social, and environmental. Over the past year, the Group has continued to advance sustainability initiatives, including greenhouse gas reduction, employee health and safety programs, participation in sustainability data quality development programs for listed companies, and community development activities. These initiatives reflect the Group's commitment to responsible growth and long-term stakeholder value creation.

The Group also continues to strengthen employee capabilities through training and professional certification programs to keep pace with technological change and improve resource efficiency, while collaborating with business partners to exchange knowledge and innovation.

In Q2 2026, the Group further reinforced its social contribution by supporting the A5 Run with Love 2026 charity run and inviting customers and business partners to participate. All proceeds from the event were donated to the Children's Hospital Foundation to support medical treatment, improve access to healthcare, and promote better quality of life for children and youth.

These initiatives reinforce the Group's commitment to "Growing Sustainably" and creating long-term shared value for shareholders, employees, customers, business partners, and society under the vision "Evolving as One."