AIT
PROFESSIONAL ICT SOLUTIONS

คำอธิบายและการวิเคราะห์ของฝ่ายจัดการ
สำหรับผลการดำเนินงาน

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

ไตรมาสที่ 2 ปี 2569
Quarter 2/2026

บริษัท แอ็ดวานซ์อินฟอร์เมชั่นเทคโนโลยี จำกัด (มหาชน)

ADVANCED INFORMATION TECHNOLOGY
PUBLIC COMPANY LIMITED

PROFESSIONAL TEAM | INNOVATIVE SOLUTIONS | TRUSTED PARTNER | SUSTAINABLE GROWTH

AIT (SVP-SEC) 019/2026

August 6,2026

Subject: Management's Discussion and Analysis of Operating Results for Q2-2026

To: The President of the Stock Exchange of Thailand

Summary of operations and the factors that make a significant change

Summary of Operations for the Q2-2026

Operation Overview	Balance by Quarter			Change (Increase ▲, Decreased ▼)			
	Q2-69	Q1-69	Q2-68	Q2-69 VS Q1-69		Q2-69 VS Q2-68	
	Million baht (MB)			(MB)	%	(MB)	%
Total Revenue	1,727.16	1,765.99	1,691.25	38.83 ▼	2.20 ▼	35.91 ▲	2.12 ▲
Total Operating Expenses	1,555.13	1,589.50	1,513.92	34.37 ▼	2.16 ▼	41.21 ▲	2.72 ▲
Profit - Equity holders of the Company	144.63	142.88	143.44	1.75 ▲	1.22 ▲	1.19 ▲	0.83 ▲

Overview of operations of the Company in Q2-2026, when considering total revenue, total operating expenses, and profit for Q1-2026 and Q2-2025, it was found that the rate no material changes, as the overall conditions of the project market and competitive environment remained largely unchanged. In addition, the Company made significant efforts to effectively manage its operations in accordance with its business plan. Although geopolitical conflicts in the Middle East have continued to escalate in 2026 to date, negatively impacting overall global economic growth.

Major projects that contributed to revenue recognition during Q2-2026 included, among others. the Information and Communications Technology Maintenance Services Project for the Secretariat of the House of Representatives, the procurement and sale of systems for the expansion of the Government Data Center and Cloud Service (GDCC) Virtual Machine (VM) services for National Telecom Public Company Limited, the project for upgrading the electricity distribution system to an underground cable system in Mae Sai District, Chiang Rai Province for the Provincial Electricity Authority, the procurement and installation project to upgrade the network system for Airports of Thailand Public Company Limited and the procurement and sale of tactical equipment for an unmanned aerial vehicle (UAV) detection and investigation system for the Signal Department of the Royal Thai Army.

Total operating expenses for Q2-2026 changed in line with the changes in revenue compared with Q2-2025 and Q1-2026. However, the rate of increase in net profit for Q2-2026 was higher than that of Q1-2026, despite lower revenue in Q2-2026 compared with Q1-2026, profit for the period increased, mainly due to lower income tax expense in Q2-2026, as the Company was able to utilize tax deductions from items previously provisioned for, which had been added back for tax purposes in prior periods.

Operating Results and Capabilities to Make Profit

Performance from revenues, costs and expenses which has significant impact on Q2–2026, can be shown in the following table:

Operation Overview	Balance by Quarter			Change (Increase ▲, Decreased ▼)			
	Q2-69	Q1-69	Q2-68	Q2-69 VS Q1-69		Q2-69 VS Q2-68	
	Million baht (MB)			(MB)	%	(MB)	%
Other income	24.33	49.09	21.53	24.76 ▼	50.44 ▼	2.80 ▲	13.01 ▲
Administrative expenses	90.49	118.53	104.12	28.04 ▼	23.66 ▼	13.63 ▼	13.09 ▼

Other Income

Other income for Q2-2026 decreased by 50.44% compared with Q1-2026, mainly due to a decreased in foreign exchange gains. Exchange rate fluctuations during Q1-2026 were greater than those in Q2-2026, as shown in the table below. Consequently, foreign exchange gains recognized in Q2-2026 were lower. The Company's foreign currency-denominated items mainly comprise Foreign Currency Deposit (FCD) accounts.

End of period date	Average TT Buying Rate**	Change (Increase ▲, Decreased ▼)
31/12/2568	31.0678	1.0692 ▼
31/03/2569	32.6815	1.6137 ▲
30/06/2569	33.1042	0.4227 ▲

*** Average TT buying rate for US Dollar as announced by the Bank of Thailand*

Administrative Expenses

Administrative expenses in Q2-2026 decreased from Q1-2026 byof 23.66% due to a decreased in employee-related expenses in Q2-2026. Administrative expenses in Q2-2026 also decreased from Q2-2025 by 13.09% , mainly because Q2-2025 incurred a net foreign exchange loss reported under administrative expenses, whereas Q2-2026 recognized a net foreign exchange gain reported under other income. Additionally, Q2-2025 included a partial write-off of damaged biological assets.

Financial Analysis of the company

As of June 30, 2026, the Company has a financial position that changed from its financial status as of December 31, 2025 as shown in the comparative tables and explained as follows:

Assets Items that has significant changes	Balance by Quarter		Change Increase ▲ (Decreased ▼)	
	Q2–69	Q4–68	Q2–69 VS Q4–68	
	Million baht (MB)		(MB)	%
Cash and cash equivalents	1,879.26	2,524.58	645.32 ▼	25.56 ▼
Trade and other current receivables	2,117.01	1,598.53	518.48 ▲	32.43 ▲
Prepayments for service costs	330.86	256.71	74.15 ▲	28.88 ▲
Equipment for rent	218.09	249.15	31.06 ▼	12.47 ▼
Non-current prepayments for service costs	45.61	78.71	33.10 ▼	42.05 ▼
Total assets	6,391.16	6,539.73	148.57 ▼	2.27 ▼

Asset

As of June 30, 2026, the Company's total assets decreased by 148.57 million baht or 2.27% from December 31, 2025. The decreased in total assets comes from the following major changes:

Cash and cash equivalents decreased by 645.32 million baht, or 25.56%, mainly due to the payment of dividends of 322 million baht in Q2-2026, and cash pending collection from trade receivables during 2026. Payment processes for large-scale projects typically require a long time at each stage of the process — from work acceptance to payment approval by government agencies. In addition, certain projects required contract amendments, which involve stringent procedures and approval processes, resulting in a longer collection period for trade receivables. This also caused trade and other current receivables to increase by 518.48 million baht, or 32.43%.

Prepayments for service costs increased by 74.15 million baht or 28.88%, mainly from prepaid maintenance expenses for maintenance service projects, which increased in line with the increase in maintenance service revenue, and from the reclassification of prepaid expenses for other long-term services recognized in prior periods to current assets, based on the remaining service period.

Equipment for rent decreased by 31.06 million baht or 12.47% due to depreciation of equipment, net of additional investments in new rental equipment projects.

Non-current prepayments for service costs decreased by 33.10 million baht or 42.05%, mainly from the reclassification prepaid maintenance expenses for maintenance projects that are due within 1 year, and it is shown in the section of Non-current prepayments for service costs.

Liabilities Items that has significant changes	Balance by Quarter		Change (Increase ▲, Decreased ▼)	
	Q2–69	Q4–68	Q2–69 VS Q4–68	
	Million baht (MB)		(MB)	%
Contract liabilities	331.39	297.17	34.22 ▲	11.52 ▲
Provision for penalty on project delay	98.04	85.53	12.51 ▲	14.63 ▲
Other current liabilities	62.12	106.63	44.51 ▼	41.74 ▼
Liabilities under financial arrangement agreements - net of current portion	10.13	90.43	80.30 ▼	88.80 ▼
Total liabilities	2,405.10	2,519.82	114.72 ▼	4.55 ▼

Liabilities

As of June 30, 2026, the Company's total liabilities decreased by 114.72 million baht or 4.55% as of December 31, 2025. The decreased in liabilities comes from the following major changes:

Contract liabilities increased by 34.22 million baht or 11.52%, because during six-month period ended 30 June 2026, the Company received additional advance payments for project contracts from new customers. Provision for penalty on project delay increased by 12.51 million baht or 14.63%, because during six-month period ended 30 June 2026, the Company recorded additional provisions for delay penalties, which mainly caused by material shortages, which resulted in equipment to be delivered to customers to be received later than scheduled under the contract.

Other current liabilities decreased by 44.51 million baht or 41.74%, mainly due to the decreased in withholding tax payable that occurred in December 2025, which was remitted in January 2026, and a decreased in value added tax payable to the Revenue Department for December 2025, which was remitted in January 2026.

Liabilities under financial arrangement agreements - net of current portion decreased by 80.30 million baht or 88.80%, due to repayments of liabilities under financial management agreements in accordance with the scheduled repayment terms.

Shareholders' Equity

As of 30 June 2026, the Company's shareholders' equity decreased by 34.23 million baht or 0.85%, as of 31 December 2025. The decrease in shareholders' equity was due to a decrease in unappropriated retained earnings of 34.23 million baht, or 2.25%, resulting from the payment of dividends in respect of the Company's 2025 operating results during Q2-2026, net of profit from operations during the six-month period ended 30 June 2026.

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Key Financial Ratio Analysis

Liquidity ratio

Financial ratio	Q2-25	Q1-26	Q2-26
Current ratio (times)	2.61	2.50	2.54
Quick ratio (times)	2.11	2.03	2.10
Cash flow liquidity ratio (times)	(0.01)	(0.02)	(0.05)
Accounts receivable turnover (times)	0.55	0.70	0.64
Average collection period (days)	164	128	141
Inventory turnover (times)	1.63	2.23	2.24
Average sales period (days)	55	40	40
Accounts Payable Turnover (times)	0.76	0.82	0.82
Days Payable Outstanding (days)	118	110	109
Cash Cycle (days)	101	58	72

From the financial ratios table for each quarter above, it was found that:

1) Both the current ratio and the quick ratio of the Company show that current assets higher current liabilities by more than twice in each quarter, indicating that from the previous quarter to the current quarter, the company's overall working capital has been sufficiently strong to cover the payment of current liabilities.

2) The cash flow liquidity ratio in Q2-2026, Q1-2026 and Q2-2025 were negative resulting from cash used in operating activities. This was attributable to lower trade receivables due to large-scale projects from government agencies that are still in the process of work acceptance and payment verification for a considerable period of time, as well as the need to spend time on project execution, together with an increase in other current prepaid expenses as the Company has more maintenance projects, together with payments trade payables at the end of period, which lower trade payables, results in an overall decreased in cash flow liquidity.

3) The accounts receivable turnover ratio in Q2-2026 decreased mainly due to longer collection periods. This was because, as explained in 2) above, the payment process for large-scale projects typically takes a long time in the inspection, acceptance, and customer payment approval stages. Meanwhile, the average sale period and accounts payable payment period remained comparable to Q1-2026, resulting in an overall lengthening in the Cash Cycle for Q2-2026. However, compared to Q2-2025, the receivable collection period for Q2-2026 actually decreased. In Q2-2025, the Company had a higher proportion of receivables from government agencies

and state enterprises, which are subject to stringent internal verification procedures prior to payment disbursement. Additionally, organizational restructuring and personnel rotations within those entities during that period led to administrative delays from inspection to final approval, resulting in a significantly longer collection period than in Q2-2026.

Profitability Ratio

Financial ratio	Q2-25	Q1-26	Q2-26
Gross profit margin (%)	20.58%	20.13%	19.29%
Operating profit margin (%)	9.33%	7.42%	8.67%
Net profit margin (%)	8.48%	8.09%	8.37%
Return on equity (%)	3.42%	3.49%	3.55%

The profitability ratios, the gross profit margin for Q2-2026 decreased slightly compared to both Q2-2025 and Q1-2026. This was attributable to price increases across multiple items driven by supply chain disruptions, material shortages, and global energy crises resulting from the Middle East conflict, all of which escalated overall product costs. Additionally, rental equipment costs for Q2-2026 due to higher maintenance expenses associated with aging equipment.

Operating profit margin and net profit margin for Q2-2026 decreased from Q2-2025, primarily due to a decrease in gross profit margin in Q2-2026, resulting from higher product costs in 2026. Meanwhile, when comparing operating profit margin and net profit margin for Q2-2026 with Q1-2026, both were found to have increased, as Q1-2026 had higher employee-related expenses and income tax expenses.

Return on Equity (ROE) remained consistently strong, supported by stable net profit levels alongside a relatively unchanged capital structure.

Financial Policy Ratio

Financial ratio	Q2-68	Q1-69	Q2-69
Debt to equity ratio (times)	0.57	0.63	0.60
Interest coverage ratio (times)	32.11	26.76	38.58

The analysis of financial policy ratios show that the Company's Debt-to-equity ratio remained consistent during 2025–2026, staying at a level that reflects strong financial stability. As the majority of the Company's funding is derived from equity, the Debt-to-Equity ratio ranged between 0.57 and 0.63 the interest coverage ratio, the Company generated substantial operating cash flow before interest expenses and income tax across all past quarters to date. This demonstrates the Company's strong ability to convert operating performance into cash flows, which remain fully sufficient to service its interest payments.

Asset Quality Ratio

Financial ratio	Q2-25	Q1-26	Q2-26
Assets turnover	0.25	0.27	0.26

The asset turnover ratio was found that the turnover ratio was mainly in line with revenue. This is because the Company's overall assets do not change significantly from quarter to quarter. As a result, the asset turnover ratio stayed mostly flat.

Efficiency Ratio

Financial Ratio	Q2-25	Q1-26	Q2-26
Return on assets (%)	2.15%	2.14%	2.20%
Return on fixed assets (%)	26.80%	30.61%	31.83%

The return on assets and return on fixed assets were comparable across the quarters evaluated. These ratios aligned with the net profit trends for each quarter, as the Company's total assets and fixed assets remained largely unchanged quarter-over-quarter. Consequently, both return on assets and return on fixed assets exhibited a steady upward trend, reflecting a positive direction and demonstrating the Company's operational efficiency.

Factors Affecting Future Operating Performance

The Company recognizes that current business operations have to face uncertainty from both external and internal organizational factors, which could impact operational performance, financial statement, and the achievement of strategic objectives. Consequently, the Company prioritizes comprehensive risk management across all dimensions by continuously monitoring, evaluating, and implementing mitigating measures to minimize potential impacts and preserve long-term competitiveness. The key factors that may affect future performance are as follows:

<u>External Factors</u>

1. Risk from War and Global Economic Conditions

The end of Q2-2026, geopolitical conflicts in the Middle East continued to escalate following international military operations by involved parties. This heightened volatility in global energy markets, particularly in crude oil and natural gas prices, thereby impacting energy, transportation, and product costs across multiple industries. Furthermore, geopolitical uncertainties have weighed on investor confidence and global economic growth prospects. Consequently, the Company is closely monitoring the situation, assessing potential impacts on its supply chain, operating costs, and business plan, while preparing contingency measures to ensure business continuity.

2. Risk from Government Stability and Government Policy

As the Company's high-value information and communication technology projects are predominantly associated with government agencies, state enterprises and public entities, the continuity of government policies and timely budget disbursements are critical to business operations.

In early 2026, following the formation of a government with clearer direction and high stability, public budget allocations and disbursements showed positive momentum, favorably supporting the Company's business opportunities. However, the current administration continues to face multifaceted pressures from domestic economic living conditions and international conflicts. The Company **continues to** closely monitors political developments and policy directions to flexibly adjust its operational strategies as circumstances evolve.

3. Risk from Rapid Changes in Information and Communication Technology

The ICT industry continues to evolve at a rapid pace across key domains, including digital technologies, Artificial Intelligence (AI), cloud computing, cybersecurity, and network infrastructure, requiring continuous adaptation to maintain competitive advantage.

Accordingly, the Company prioritizes tracking global technology trends, enhancing employee competencies, fostering strategic partnerships, and promoting internal innovation to deliver solutions that meet evolving customer requirements and capture future business opportunities.

4. Risk from International Exchange Rate Volatility

Because the majority of the Company's products and equipment are imported, either directly or through local distributors, foreign exchange rate volatility **may** a direct impact on project costs and profit margins.

During Q2-2026, the Thai Baht fluctuated within the range of 31.73 to 33.57 baht/USD, averaging approximately 32.61 baht/USD. This represented a narrower band compared to Q1-2026, when the Baht fluctuated between 30.72 and 33.09 baht/USD with an average of 31.62 baht/USD, as well as FY2025, which fluctuated between 31.06 and 34.80 baht/USD with a full-year average of 32.88 baht/USD.

Nevertheless, given ongoing global economic uncertainties and international conflicts, currency volatility remains a critical factor that requires close monitoring. Consequently, the Company actively manages foreign exchange risks by utilizing financial hedging instruments in conjunction with Foreign Currency Deposit (FCD) accounts to buffer against currency fluctuations.

5. Risk from Supply Chain Shortage

In 2026, the technology industry remains constrained by ongoing supply chain bottlenecks, particularly shortages of memory chips and electronic components. This has been primarily driven by the surge in demand for high-performance chips required by the AI sector.

Major global memory chip manufacturers have pivoted production capacity toward AI-driven products without prioritizing significant relief for broader market shortages. As a result, supply constraints in computer and IT hardware components are expected to persist until 2028 before easing, leading to limited availability, higher product costs, and extended delivery lead times.

To mitigate these risks, the Company actively manages procurement planning, sourcing of alternative supply channels, and increased coordination with manufacturers and distributors to minimize potential disruptions to project deliveries and client services.

Internal Factors

Human Resources Risk

Personnel are the most vital resource for driving growth and sustaining the Company's competitive advantage, particularly in the technology sector, which relies heavily on specialized knowledge, expertise, and experience. Consequently, the Company prioritizes systematic human resource management, encompassing the recruitment and selection of high-potential talent, continuous knowledge and skills development, succession planning, performance evaluations, competitive compensation and benefits, as well as the cultivation of an organizational culture that promotes learning, innovation, and employee engagement.

The Company believes that sustained investment in human capital mitigates the risk of talent shortages, enhances operational efficiency, and supports long-term sustainable growth. Even in instances of employee turnover, the Company maintains smooth transitions and effective talent replacements.

Sincerely yours,

(Ms. Sarin Chandranipapongse)

Company Secretary

Authorized signature on behalf of the Company