



AIT (SVP-SEC) 015E/2026

May 7, 2026

Subject: Management's Discussion and Analysis of Operating Results for Q1-2026

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 Q1-2026**

Operation Overview	Balance by Quarter			Change			
	Q1-26	Q4-25	Q1-25	Q1-26 VS Q4-25		Q1-26 VS Q1-25	
	Million baht (MB)			(MB)	%	(MB)	%
Total Revenue	1,765.99	1,530.36	1,740.89	235.63	15.40	25.10	1.44
Total Operating Expenses	1,589.50	1,358.18	1,565.70	231.32	17.03	23.80	1.52
Profit - Equity holders of the Company	143.25	140.06	142.55	3.19	2.28	0.70	0.50

Overview of operations of the Company in Q1-2026, when considering total revenue, total operating expenses, and profit for the period attributable to equity holders of the Company compared with Q1-2025, it was found that the rate of change was small, as the nature of the project and project cost structure remained largely similar. However, during the early part of Q4-2025, there was a change of government, causing government agencies to review policies and delay projects, resulting in lower revenue in Q4-2025 than in Q1-2026. The major large-scale projects delivered in Q1-2026 included, for example: the project for IT and telecommunications maintenance services for the Secretariat of the House of Representatives, the project for procurement and installation to improve the network system of Airports of Thailand Public Company Limited, the project for the procurement of an accounting, finance, budget, procurement, and maintenance system (SAP software) for the Expressway Authority of Thailand, the project for the procurement of a Local Active-Active DC service system, the project for the procurement of equipment to expand IRIS Premium Cloud services, and the project for the procurement of equipment to Upgrade Regional Broadband to Nx100G of National Telecom Public Company Limited, etc.

Total operating expenses and profit for the period in Q1-2026 changed in line with the increase in revenue from Q4-2025. However, it was found that the rate of change in total operating expenses increased at a greater rate than the rate of change in revenue. The main reason for this was the recording of provisions for delay penalties that may arise



due to late delivery of goods resulting from material shortage, particularly equipment with memory components as a critical element, which is considered an external factor beyond the control of the Company.

### Operating Results and Capabilities to Make Profit

Performance from revenues, costs and expenses which has significant impact on Q1-2026, can be shown in the following table:

Operation Overview	Balance by Quarter			Change			
	Q1-26	Q4-25	Q1-25	Q1-26 VS Q4-25		Q1-26 VS Q1-25	
	(MB)			(MB)	%	(MB)	%
Revenue from sales and service	1,635.76	1,443.27	1,632.13	192.49	13.34	3.63	0.22
Other income	49.09	6.67	35.32	42.42	635.98	13.77	38.99
Cost of Sale and Service	1,307.53	1,140.13	1,324.92	167.40	14.68	(17.39)	(1.31)
Cost of equipment for lease	63.71	58.12	51.80	5.59	9.62	11.91	22.99
Selling and distribution expenses	99.73	72.60	85.88	27.13	37.37	13.85	16.13
Administrative expenses	118.53	99.42	103.10	19.11	19.23	15.43	14.97

#### Revenue from Sales and Service

Revenue from sales and service of the Company in Q1-2026 increased from Q4-2025 by 192.49 million baht or representing an increase of 13.34%. This is because in Q4-2025, both the number of delivered projects and the size of projects with recognized revenue were less, as during the period from late Q3-2025 through early Q4-2025, there was a change of government causing government agencies to review policies and delay some projects.

#### Other Income

End of period date	Average TT Buying Rate**	Change
31/12/2024	33.8296	
31/3/2025	33.3670	(0.4626)
30/6/2025	32.3893	(0.9777)
30/9/2025	32.1370	(0.2523)
31/12/2025	31.0678	(1.0692)
31/3/2026	32.6815	1.6137

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



Other income in Q1-2026 increased from Q4-2025 and Q1-2025, mainly because of foreign exchange gains (losses). In Q1 -2026, there was a relatively high foreign exchange gain. As can be seen from the table of international exchange rates for US Dollar above, the exchange rate at the end of Q1 -2026 showed a significant weakening of the Thai Baht compared with the end of Q4-2025. In addition, since the beginning of 2025, the Company has increased its US Dollar deposits, resulting in a higher foreign exchange gain as well. Meanwhile, other income in Q4-2025 decreased significantly from Q3-2025 due in Q4-2025, the Company recorded a foreign exchange loss due to the significant appreciation of the Thai Baht toward the end of 2025. Furthermore, in Q4-2025, promotional income from vendors decreased compared with the comparative quarters.

#### **Cost of Sale and Service**

Cost of sale and service in Q1-2026 increased from Q4-2025 by 167.40 million baht, or representing an increase of 14.68%, due to an increase in line with the increase in revenue, together with an increase in provisions for delayed penalties, which caused the cost of sale and service to increase.

#### **Cost of Equipment for Lease**

Cost of equipment for lease in Q1 -2026 increased from Q1 -2025 by 11.91 million baht, or representing an increase of 22.99%, due in Q1 -2026, equipment maintenance service fees increased in line with the aging of the equipment, and depreciation increased from changes in the lifespan of leased equipment to better suit operating conditions, which was adjusted from Q2-2025.

#### **Selling and Distribution Expenses**

Selling and distribution expenses in Q1-2026 increased from Q4-2025 and Q1-2025 at a rate of 37.37% and 16.13%, respectively, due to an increase in employee-related expenses in Q1 -2026, namely salary adjustments and commissions that increased in line with improved performance.

#### **Administrative Expenses**

Administrative expenses in Q1-2026 increased from Q4-2025 and Q1-2025 at a rate of 19.23% and 14.97%, respectively, due to an increase in employee-related expenses in Q1-2026 from salary adjustments. In addition, in Q1-2025, the Company had reversed provisions for expected credit losses on trade receivables.



### Financial Analysis of the company

As of December 31, 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	
	Q1-26	Q4-25	Q1-26 VS Q4-25	
	(MB)		(MB)	%
Trade and other current receivables	1,832.79	1,598.53	234.26	14.65
Inventories and work in process	646.51	585.48	61.03	10.42
Prepayments for service costs	384.97	256.71	128.26	49.96
Other current assets	95.60	80.26	15.34	19.11
Non-current prepayments for service costs	60.68	78.71	(18.03)	(22.91)
Total assets	6,786.72	6,539.73	246.99	3.78

#### Asset

As of March 31, 2026, the Company's total assets increased by 246.99 million baht, or representing an increase of 3.78% from December 31, 2025. The increase in total assets comes from the following major changes:

Trade and other current receivables increased by 234.26 million baht, or representing an increase of 14.65%, mainly because in 2025, the Company secured large-scale projects from government agencies, which started working and progressively delivered projects. These projects require a considerable period of time for work acceptance and payment processing in accordance with the normal procedures of the respective agencies, resulting in an increase in the balance of trade receivables.

Inventories and work in process increased by 61.03 million baht, representing an increase of 10.42%, mainly because the Company has secured new projects and is in the initial stage of work in Q1-2026, and has not yet reached the stage of completion required to recognize revenue from project delivery.

Prepayments for service costs increased by 128.26 million baht, or representing an increase of 49.96%, mainly from prepaid maintenance expenses for maintenance service projects, which increased in line with the increase in maintenance service revenue.

Other current assets increased by 15.34 million baht, or representing an increase of 19.11%, mainly from an increase in prepaid group insurance premiums for employees paid at the beginning of 2026, and VAT input not yet due for investments in projects in progress.



Other non-current prepaid expenses decreased by 18.03 million baht, or representing a decrease of 22.91%, mainly from prepaid maintenance expenses for maintenance projects that are due within one year, and it is shown in the section of other current prepaid expenses.

Liabilities Items that has significant changes	Balance by Quarter		Change	
	Q1-26	Q4-25	Q1-26 VS Q4-25	
	(MB)		(MB)	%
Trade and other current payables	1,044.12	892.63	151.49	16.97
Provision for penalty on project delay	99.99	85.53	14.46	16.91
Other current liabilities	65.34	106.63	(41.29)	(38.72)
Liabilities under financial arrangement agreements - net of current portion	45.86	90.43	(44.57)	(49.29)
Total liabilities	2,622.68	2,519.82	102.86	4.08

#### Liabilities

As of March 31, 2026, the Company's total liabilities increased by 102.86 million baht, or representing an increase of 4.08% from December 31, 2025. The increase in liabilities comes from the following major changes:

Trade and other current payables increased by 151.49 million baht, or representing an increase of 16.97%, because of the end of Q1-2026, the Company was in the process of executing projects, together with receiving invoices from suppliers for projects that had previously been delivered but had not yet received invoices from suppliers in prior periods, thereby resulting in an increase in trade and other current payables.

Provision for penalty on project delay increased by 14.46 million baht, or representing an increase of 16.91%, as during Q1-2026, the Company recorded additional provisions for delay penalties, mainly due to material shortages, resulting in delays in the delivery of equipment to customers according to the contract schedule.

Other current liabilities decreased by 41.29 million baht, or representing a decrease of 38.72%, mainly due to the decrease in withholding tax payable that occurred in December 2025 and was remitted in January 2026, and the decrease in the Revenue Department payable for December 2025 from the remittance of value added tax in January 2026, while value added tax payable for March 2026 to the Revenue Department decreased.

Liabilities under financial arrangement agreements - net of current portion decreased by 44.57 million baht, or representing a decrease of 49.29%, due to a decrease in liabilities repayments under periodic financial management agreements.



### Shareholders' Equity

As of March 31, 2026, the Company's total equity increased by 144.13 million baht, or representing an increase of 3.59% from December 31, 2025. The increase in shareholders' equity comes from an increase in unappropriated retained earnings of 143.25 million baht, or representing an increase of 9.43%, due to operating profit for Q1-2026.

### Key Financial Ratio Analysis

#### Liquidity ratio

Financial ratio	Q1-25	Q4-25	Q1-26
Current ratio (times)	2.51	2.54	2.50
Quick ratio (times)	2.04	2.13	2.03
Cash flow liquidity ratio (times)	0.09	0.21	(0.02)
Accounts receivable turnover (times)	0.54	0.59	0.70
Average collection period (days)	168	152	128
Inventory turnover (times)	1.88	2.06	2.23
Average sales period (days)	48	44	40
Accounts Payable Turnover (times)	0.75	0.74	0.82
Days Payable Outstanding (days)	120	121	110
Cash Cycle (days)	96	74	58

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 are consistently high and similar across each quarter, indicating that in the period up to the present, the Company's overall working capital position is very strong and sufficient to meet current liabilities.

2) The cash flow liquidity ratio in Q1-2026 is negative, resulting from cash used in operating activities. This was attributable to higher 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. This is partially offset by cash generated from extended trade payables, which had an increased balance in Q1-2026.

3) The accounts receivable turnover and the inventory turnover are higher, while the average collection period and the average sales period have decreased, as in Q1-2026 the Company has higher revenue resulting in a higher the accounts receivable turnover even though trade receivables have increased from work being in the process of acceptance and payment. The average payment period decreased as costs in Q1-2026 increased, while the average trade payables balance was not significantly high, indicating that the Company has been paying suppliers more quickly. Overall, from the above ratios, the cash cycle has shortened, primarily due to higher the accounts receivable and the inventory turnover.

#### Profitability ratio

Financial ratio	Q1-25	Q4-25	Q1-26
Gross profit margin (%)	19.28%	21.36%	20.13%
Operating profit margin (%)	8.20%	10.86%	7.42%
Net profit margin (%)	8.18%	9.12%	8.09%
Return on equity (%)	3.27%	3.53%	3.49%

From the profitability ratios, it can be seen that the gross profit margin, operating profit margin, and net profit margin in Q1-2026 decreased from Q4-2025 used for comparison. This is because in Q1-2026, there were provisions for delay penalties arising from material shortage issues, together with increased employee-related expenses. In addition, total revenue in Q1-2026 also included other income from a significantly high foreign exchange gain, which resulted in a decrease in the operating profit margin. Furthermore, the return on equity remains consistently high, based on similar net profits and the Company's equity not changing significantly.

#### Financial policy ratio

Financial ratio	Q1-25	Q4-25	Q1-26
Debt to equity ratio (times)	0.61	0.63	0.63
Interest coverage ratio (times)	25.33	22.86	26.76

From the financial policy ratios, it was found that during 2025–2026, the Company's debt to equity ratio remained at similar levels and at a level indicating that the Company has strong financial stability, i.e., the majority of the Company's funding comes from shareholders, with the debt to equity ratio in the range of 0.61–0.63.



The interest coverage ratio was found that in each past quarter up to the present, the Company's operating cash flow before interest paid and income tax is very high, indicating that the Company's operating performance is being converted back into cash flow and is sufficient to cover interest payments.

#### Asset Quality ratio

Financial ratio	Q1-25	Q4-25	Q1-26
Assets turnover	0.25	0.24	0.27

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. It can be seen that when compared with total revenue of Q4-2025 that was lower than the total revenue of the comparative quarters, resulting in the asset turnover ratio in Q4-2025 also decreased. Meanwhile, total revenue of Q1-2026 has increased, resulting in a higher asset turnover ratio as well, which demonstrates the Company's strong capability in utilizing organizational resources to generate revenue.

#### Efficiency ratio

อัตราส่วนทางการเงิน	Q1-25	Q4-25	Q1-26
Return on assets (%)	2.05%	2.15%	2.14%
Return on fixed assets (%)	26.39%	28.86%	30.61%

The return on assets and return on fixed assets are in line with net profit for each quarter, as the Company's assets and fixed assets do not change significantly from quarter to quarter. It can therefore be seen that the return on both assets and fixed assets has been consistently increasing, which is a favorable direction for the Company reflecting operational efficiency. The exception is the return on assets in Q1-2026, which decreased slightly due to increases in trade receivables and other current prepaid expenses.

#### Factors Affecting Future Operating Performance

The Company is aware of the significance of business operating risks under the changing internal and external factors affecting the Company's operating performance. In managing its business to achieve its objectives effectively and efficiently, the Company has managed and mitigated the following risks:



## **External Factors**

### **Risk from War and Global Economic Conditions**

The end of Q1-2026, a war broke out in the Middle East region, with the United States cooperating with Israel to attack Iran, which initially caused an energy crisis particularly in relation to fuel oil and gas. Nevertheless, this crisis has begun to affect shortages and price increases for other related goods and services on a broader scale, and has also had a significantly negative impact on the global economy. At present, although the intensity of the conflict has somewhat subsided, the war has not yet ended and may intensify again as the two parties have not yet been able to reach an agreement. This situation certainly affects transportation costs for goods and services across many industries; however, from the Company's perspective, the impact remains relatively limited, as the proportion of transportation costs, when expressed as a percentage, is low compared with other costs such as hardware and software, etc. The Company will manage deliveries to customers per trip as efficiently as possible to optimize transportation costs. Nonetheless, the Company is closely monitoring the situation and preparing contingency measures to cope with any circumstances that may arise.

### **Risk from Government Stability and Government Policy**

Since the majority of high-value technology projects come from government agencies, and the majority of the Company's customers are government agencies, government organizations, and state enterprises. Therefore, political stability is an important factor supporting the continuity of government policies and public expenditure. During the beginning of 2026, the government has been fully established and operational, allowing government expenditure budgets to be disbursed to the private sector on a continuous basis. However, the Company continues to monitor and adapt to such uncontrollable external factors.

### **Risk from Rapid Changes in Information and Communication Technology**

Rapid changes in information and communication technology are considered to be a key risk factor affecting the industry group and the Company's business operations. Furthermore, it is an important factor for the Company's operational planning. The Company keeps track of emerging technology trends and develops the knowledge of its personnel in order to be prepared and able to adapt to technology changes concurrently. Additionally, the Company encourages its employees to initiate new innovations to further expand the Company's business channels.



### **Risk from International Exchange Rate Volatility**

Since the majority of goods and project equipment are imported from overseas, international exchange rates are therefore a significant factor in project costs. During Q1-2026, the exchange rate range was at the level of 30.72 - 33.09 baht per US Dollar, with an average midpoint rate of 31.62 baht per US Dollar. When compared with the exchange rate volatility of the Thai Baht in 2025, it was found that in Q1-2026 the intra-quarter movement range was somewhat narrower and the Thai Baht was stronger. In 2025, the exchange rate range was at the level of 31.06 - 34.80 baht per US Dollar, with an average annual midpoint rate of 32.88 baht per US Dollar. However, given the current situation involving the conflict in the Middle East region, there remains the possibility that exchange rate volatility may still change significantly. The Company mitigates currency exchange risk through the use of various financial instruments from financial institutions and through maintaining foreign currency deposit accounts (Foreign Currency Deposit - FCD).

### **Risk from Supply Chain Shortage**

In 2026, the technology and communications industry are experiencing a shortage of electronic components, namely memory chip equipment, resulting in higher procurement costs for computer-type products and potentially causing delivery schedule delays. Major manufacturers have already begun to adjust the prices of computer products. This is mainly due to the rapidly increasing investment in artificial intelligence, which has led to a global shortage of memory chips. Major manufacturers such as Samsung, Micron, and SK Hynix have reduced their production of memory for the consumer electronics market and have shifted to producing higher bandwidth memory chips for the AI industry. As electronic components have begun to run short, this has had a significant impact on the IT industry and computer user groups. This shortage issue is expected to persist for at least two more years.

### **Internal Factors**

#### **Personnel Risk**

The Company is aware of and places great importance on its personnel, who are considered to be the primary factor driving business success. The risk from a shortage of quality personnel is another key risk for the Company. The Company places emphasis on human resource management, from recruitment and selection to obtain personnel who are well qualified and suited to the Company, continuous training and development of employees to enhance knowledge and skills necessary for their duties, as well as the creation of morale and motivation, compensation, succession planning, and appropriate and equitable benefits.



Sincerely yours,

(Ms. Sarin Chandranipapongse)

Company Secretary

Authorized signature on behalf of the Company