

AIT (SVP-SEC) 027E/2025

7 August 2025

Subject: Management's Discussion and Analysis of Operating Results for Q2-2025

To: The President of the Stock Exchange of Thailand

### Summary of Operations Q2-2025

Topic	Balance by Quarter			Change			
	Q2-25	Q1-25	Q2-24	Q2-25 VS Q1-25		Q2-25 VS Q2-24	
	(Million Baht: MB)			(MB)	%	(MB)	%
Total revenue	1,691.3	1,740.9	1,866.9	(49.6)	(2.8)	(175.6)	(9.4)
Total operating expenses	1,513.9	1,565.7	1,698.2	(51.8)	(3.3)	(184.3)	(10.9)
Profit for the period	143.4	142.5	138.7	0.9	0.8	4.7	3.4

Overall in the Q2–2024, the Company's total revenue and total operating expenses decreased from the Q1–2025 and the Q2–2024 at an insignificant rate. This is because the revenue of the Q2-2025 partially came from continuing projects from the Q1-2025. While work projects have been continuing operated as in the Q1-2025, there were an increase in the proportion of maintenance projects. Since maintenance projects normally generate a higher gross profit than trading projects, the overall gross profit rate increased. Total operating expenses also decreased at a higher rate than the decreasing of total revenue. As a result, profit margin of the Q2-2025 slightly increased even though total revenue and total operating expenses changed in downward direction.

### Operating Results and Capabilities to Make Profit

Performance from revenues, costs and expenses which has significant impact on the Q2–2025, can be shown in the following table:

Topic	Balance by Quarter			Change			
	Q2-25	Q1-25	Q2-24	Q2-25 VS Q1-25		Q2-25 VS Q2-24	
	(MB)			(MB)	%	(MB)	%
Cost of equipment for lease	63.2	51.8	35.3	11.4	22.0	27.9	79.0
Administrative expenses	85.3	103.1	98.9	(17.8)	(17.3)	(13.6)	(13.8)
Loss (Profit) from fair value adjustment of other current financial assets	18.8	(0.7)	1.0	19.5	>100.0	17.8	>100.0

### Cost of equipment for lease

Cost of equipment for lease in the Q2-2025 increased from the Q1-2025 by 11.4 MB, or representing an increase of 22.0%. This is due to a higher depreciation in the Q2-2025, driven by adjustments to the estimated useful life of equipment for lease to more accurately reflect its expected usage. Additionally, cost of equipment for lease in the Q2-2025 increased from the Q2-2024 by 27.9 MB, or representing an increase of 79.0%. This is because the gross margin of projects of equipment for lease received in the late 2024 declined, while maintenance service fees for equipment rose in line with its aging, apart from the increased depreciation resulting from changes in the useful life of equipment for lease in the Q2-2025 as mentioned above.

### Administrative expenses

Administrative expenses in the Q2-2025 decreased from the Q1-2025 by 17.8 MB, or representing a decrease of 17.3%. This is mainly due to the reduction in employee expenses recorded in the Q1-2025. Additionally, administrative expenses in the Q2-2025 decreased from the Q2-2024 by 13.6 MB, or representing a decrease of 13.8%. This is because loss on impairment of assets (trade receivables) and personnel expenses in the Q2-2024 were higher than those in the Q2-2025.

### Loss (Profit) from fair value adjustment of other current financial assets

Loss (Profit) from fair value adjustment of other current financial assets of the Q2-2025 increased from the Q1-2025 and the Q2-2024 by 19.5 MB and 17.8 MB, respectively, representing a rise of more than 100%. This is because in the Q2-2025, the Company's foreign exchange rate from the Forward Contracts were higher than the exchange rate as of the period-end date due to the stronger appreciation of the Thai baht against the US dollar. While in the Q1-2025 and the Q2-2024, the difference between the foreign exchange rate from the Forward Contracts and the exchange rate as of the period-end date was minimal.

### Financial Analysis of the Company

As of June 30, 2025, the Company has financial position that changed from its financial status as of December 31, 2024. The changes are described as follows:

Assets Items that has significant changes	Balance by Quarter		Change	
	Q2-25	Q4-24	Q2-25 VS Q4-24	
	(MB)		(MB)	%
Cash and cash equivalents	1,375.6	1,901.1	(525.5)	(27.6)
Contract assets	925.7	1,296.7	(371.0)	(28.6)
Inventories	784.9	625.8	159.1	25.4
Other current assets	268.3	214.0	54.3	25.4
Total assets	6,204.4	6,803.2	(598.8)	(8.8)

## Assets

As of June 30, 2025, the Company's total assets decreased by 598.8 MB or 8.8% from 31 December 2024.

The decrease in total Assets was due to the following major changes:

Cash and cash equivalents decreased by 525.5 MB, representing a decline of 27.6%, mainly due to dividend payments made in the Q2-2025.

Contract assets decreased by 371.0 MB, representing a decline of 28.6%. The main reason is that the completed projects work from the end of 2024 that had not yet been invoiced which has now been delivered and invoiced.

Inventories increased by 159.1 MB, representing an increase of 25.4%. The reason is that, during the 6-month period of 2025, the Company had more new project engagements which were in progress. Key ongoing projects include the Turnkey Project for Network System Improvement of the Airports of Thailand PCL, the Procurement Project for the Expansion of IRIS Premium Cloud of the National Telecom PCL, the Procurement Project for Systems, Equipment and Services for the Cyber Security Operation Center of the Office of the Secretary of the House of Representatives, and the Turnkey Project for the Multimedia Management System of the Government Public Relations Department.

Other current assets increased by 54.3 MB, representing an increase of 25.4%. This is mainly because prepaid project-related maintenance expenses increased in line with the proportion of maintenance projects.

Liabilities Items that has significant changes	Balance by Quarter		Change	
	Q2-25	Q4-24	Q2-25 VS Q4-24	
	(MB)		(MB)	%
Unbilled payables	643.2	767.5	(124.3)	(16.2)
Current portion of liabilities under financial arrangement agreement	44.6	61.5	(16.9)	(27.5)
Provision for penalty on projects delay	87.5	100.9	(13.4)	(13.3)
Other current liabilities	86.0	103.8	(17.8)	(17.1)
Liabilities under financial arrangement agreement – net of current portion	20.1	51.7	(31.6)	(61.1)
Total Liabilities	2,248.0	2,519.5	(271.5)	(10.8)

## Liabilities

As of June 30, 2025, the Company's total liabilities decreased by 271.5 MB or 10.8% from December 31, 2024, the decrease in liabilities was due to major change described as follow.

Unbilled payables decreased by 124.3 MB, representing a decrease of 16.2%. This is mainly because in the Q2-2025, the Company had received invoices from suppliers for projects that had been delivered but had not yet been invoiced in previous quarter.

Liabilities under financial arrangement agreement, both the current portion due within one year and the non-current portion, decreased by 48.5 MB. The decreased was in line with the scheduled repayments under the finance lease agreements.

Provision for penalty on projects delay decreased by 13.4 MB, representing a decrease of 13.3% . This is because in the Q2-2025, the provision for penalty on project delay previously recognized had been settled.

Other current liabilities decreased by 17.8 MB, representing a 17.1% decrease. This is mainly due to a decrease in withholding tax accrued in December 2024, which was remitted in January 2025, as well as a reduction in VAT payable for the same period following its remittance in January 2025.

#### **Shareholders' Equity**

As of June 30, 2025, the Company had total shareholders' equity of 3,956.4 MB, decreased by 327.4 MB, representing a decrease of 7.6% from 4,283.8 MB as of December 31, 2024. The decrease was due to dividend payments made in the Q2-2025, net of operating profit generating in the first half of 2025.

Sincerely yours,

(Ms. Sarin Chandranipapongse)

Company Secretary

Authorized signature on behalf of the Company