

(Translation)

LTO-2025-0121

14 August 2025

Subject: Submission of the Management Discussion and Analysis based on  
the Interim Financial Statements for the Three-Month period ended 30 June 2025

Attention: The President of the Stock Exchange of Thailand

Information and Communication Networks Public Company limited ("Company") held the Board of Directors' Meeting No.3/2025 on 14 August 2025. The Meeting approved the Interim Financial Statements for the three-month period ended 30 June 2025, which were reviewed by the Company's auditor.

We would like to submit the Management Discussion and Analysis based on the financial statements for the three-month 2025 ended 30 June 2025.

Please be informed accordingly.



Sincerely yours,

( Mr. Wirat Rungruangboriboon )

Chief Financial Officer

---

## Executive Summary

Considering the performance in the 2<sup>nd</sup> quarter of 2025, the company has continued recognizing the income from projects currently in progress. The Company reported its total revenue at 302.75 million THB categorized into sale revenue at 301.43 million THB and other revenues at 1.32 million THB compared to total revenue of 312.09 million THB in the same period of 2024. Its cost of sales and expenses were at 264.50 million THB or 87.37% of total revenue in Q2/2025 and at 262.73 million THB or 84.18% of total revenue in Q2/2024. In term of net profit, it was equivalent to 30.58 million THB or 10.10 % of total revenue in Q2/2025 when compared to 38.90 million THB or 12.47% of total revenue in comparison to the same period of previous year. A decrease in equipment sales compared to the same quarter last year incurred due to the final budget of customer order approvals differing from the projected plans; consequently, only a certain revenue portion was recognized this quarter and the remaining order value shall be recognized as revenue at the beginning of the following quarter.

In the 2<sup>nd</sup> quarter of 2025, the overall economic situation in Thailand remains stagnant, causing a significant slowdown impact on government investment. However, due to the economic stimulus policy that the Cabinet approved on June 24, 2025, the economic situation in the second half of the year is expected to improve. The Company has been monitoring the situation closely and adopted any plausible approaches to handle these situations.

## 1. Business Performance Analysis

### 1.1 Revenue

In the second quarter of 2025, the Company reported total revenue of THB 302.75 million, a decrease from THB 312.09 million in the same period of 2024, representing a year-over-year decline of 3%. The primary source of revenue during this period continued to be derived from service and maintenance projects, which remain a core and consistent contributor to the Company's revenue stream.

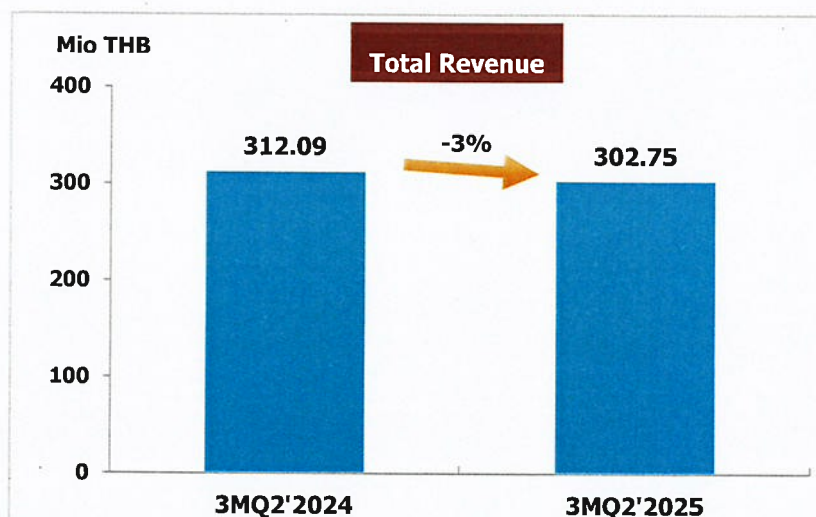
Key projects contributing to revenue recognition in this quarter include:

- The Sustainable Digital Community Ecosystem Development Project, Activity 1, Group 2: Equipment rental and provision of on-site personnel for 454 Digital Community Centers under the "Digital Community Project"
- The High-Speed Internet Service Provision Project in Remote Areas (Zone C), Group 5
- The Maintenance of IP Access Network communication equipment with 24-hour readiness in the Northern, Southern and the North Eastern region etc.

Revenue	Consolidated		Consolidated	
	Apr. - Jun. 2024		Apr. - Jun. 2025	
	MB	%	MB	%
1. Sales and services Revenue	311.56	99.83	301.43	99.56
2. Other Revenue*	0.53	0.17	1.32	0.44
<b>Total</b>	<b>312.09</b>	<b>100.00</b>	<b>302.75</b>	<b>100.00</b>

Remarks \*Other Revenue comprises of interest income and dividends, etc

Total revenue comprises revenue from sales and services, as well as other income. In the second quarter of 2024 and 2025, sales and services revenue was accounted for 99.83% and 99.56% of total revenue, respectively, while other revenue represented 0.17% and 0.44% of total revenue, respectively.





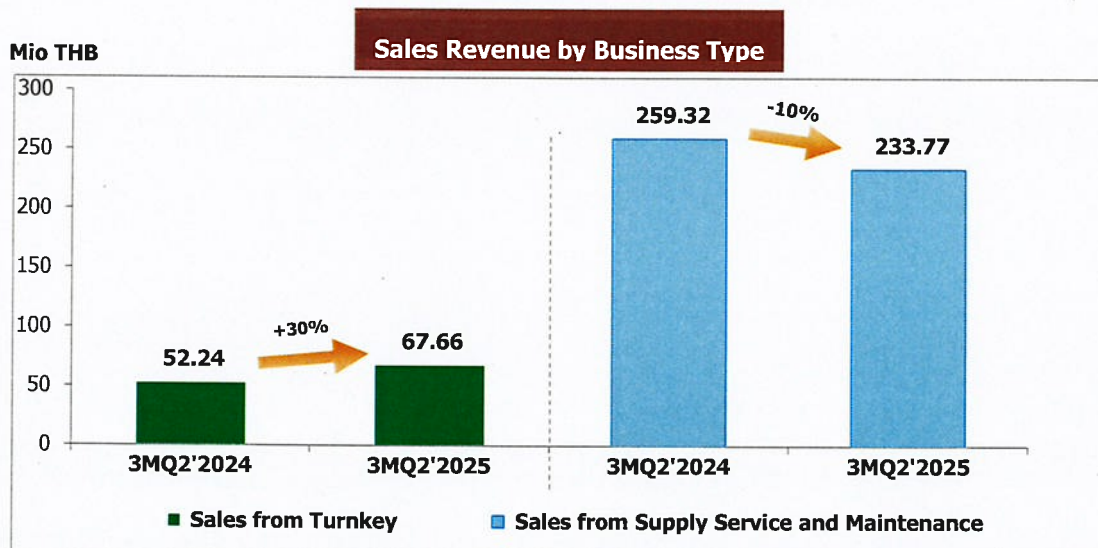
## Sales and service Revenue

Sales and service revenue in the second quarter of 2025 consisted of turnkey business including telecommunication system, supply service and maintenance.

Types of Revenue	Consolidated		Consolidated	
	Apr. - Jun. 2024		Apr. - Jun. 2025	
	MB	%	MB	%
<b>Sales and services Revenue</b>				
<b>Revenue from Turnkey Business</b>	<b>52.24</b>	<b>16.77</b>	<b>67.66</b>	<b>22.45</b>
- Sales Revenue from Telecommunication System	52.24	16.77	67.66	22.45
<b>Revenue from Supply Service and Maintenance</b>	<b>259.32</b>	<b>83.23</b>	<b>233.77</b>	<b>77.55</b>
- Sales Revenue from Supply of Telecommunication System	53.41	17.14	8.85	2.94
- Sales Revenue from Service and Maintenance of Telecommunication System	205.91	66.09	224.92	74.61
<b>Total Sales Revenue</b>	<b>311.56</b>	<b>100.00</b>	<b>301.43</b>	<b>100.00</b>

In the second quarter of 2025, sales revenue from turnkey business and supply, service and maintenance were reported at 67.66 million and THB 233.77 million, respectively. These figures represented 22.45% and 77.55% of the total revenue from sales and services. Revenue from turnkey business increased by 30% compared to the same period of the previous year, primarily due to a higher proportion of revenue recognized from projects that continued from the first quarter, resulting in a notable increase in revenue during the current quarter.

While Revenue from equipment sales, services and maintenance decreased by 10% compared to the same period due to the final budget of customer order approvals differing from the projected plans, only a portion of the revenue was recognized this quarter, while the remaining order value shall be recognized as revenue at the beginning of the following quarter. However, recognized revenue from services and maintenance continued to grow, driven by an expanded service base as planned.



### Other Revenue

In the second quarter of 2024 and 2025, the Company reported its other revenue of THB 0.53 million and THB 1.32 million, respectively, equivalent to 0.17% and 0.44% of total revenue. The Company's key sources of other revenue included interest income and dividend, etc.

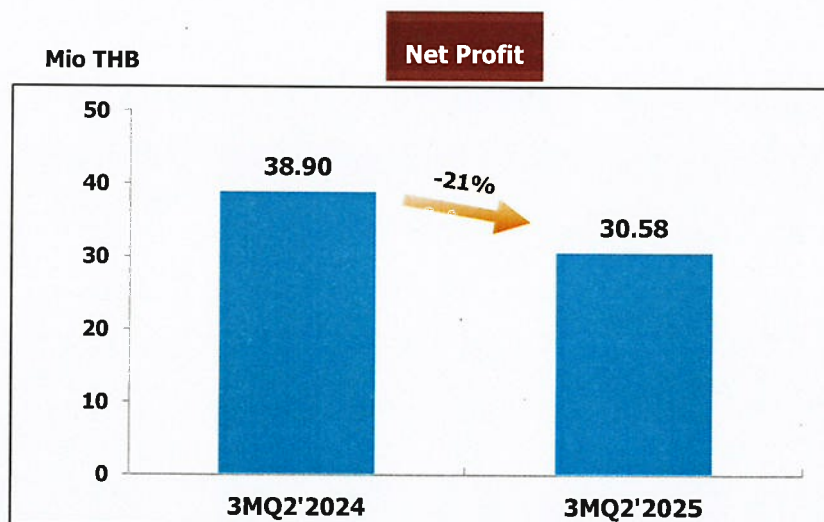
### 1.2 Cost of Sales and Expenses

Major costs of the Company composed of cost of sales, selling expense, administrative expense and finance costs. In the second quarter of 2024 and 2025 the Company incurred total costs and expenses of THB 262.73 million and THB 264.50 million, respectively, proportionately at 84.18% and 87.37% of total revenue.

Cost of sales and Expenses	Consolidated		Consolidated	
	Apr. - Jun. 2024		Apr. - Jun. 2025	
	MB	%	MB	%
Cost of Sales	240.19	76.96	239.65	79.16
Selling Expense	7.13	2.28	6.36	2.10
Administrative Expense	15.23	4.88	18.34	6.06
Finance Cost	0.18	0.06	0.15	0.05
<b>Total Cost of sales and Expenses</b>	<b>262.73</b>	<b>84.18</b>	<b>264.50</b>	<b>87.37</b>
<b>Total Revenue</b>	<b>312.09</b>	<b>100.00</b>	<b>302.75</b>	<b>100.00</b>

### 1.3 Net Profit

As a result of overall business performance, the Company reported a net profit of THB 38.90 million and THB 30.58 million in the second quarter of 2024 and 2025, respectively. This represents a net profit margin of 12.47% and 10.10% of total revenue.





## 2 Financial Status

### 2.1 Assets

At the end of 2024 and of Q2/2025, the Company reported their total assets of 1,800.77 million THB and 1,963.52 million THB respectively. The major asset items are cash and cash equivalents, trade and other current receivables, and contract assets and assets for leased at the end of 2024, proportionately at 18.91%, 22.16%, 21.91% and 26.25% of total assets respectively and at the end of Q2/2025 proportionately at 2.94%, 25.94% and 33.82% and 20.22% of total assets. Total current assets are accounted for 63.51% for the year end 2024 and 71.76% for Q2/2025 to total assets.

With reference to the major asset items, a significant portion remained at trade and other current receivables and contract assets, which reached at 1,266.33 million THB equivalent to 70.32% of total assets at the end of 2024 and reached at 1,570.34 million THB equivalent to 79.98% of total assets at the end of Q2/2025. The increase in the Company's main assets in the second quarter of 2025 came from the gradual revenue recognition following the handover of contract assets in related project

### 2.2 Sources of Fund

#### Liabilities

The Company reported their total liabilities at 885.75 million THB at the end of 2024 and 1,062.04 million THB at the end of Q2/2025 and the major items are short-term loans, trade and other current payables, contract liabilities and loans from financial institutions with the proportion in 2024 and in Q2/2025 of 78.05% and 83.71% of total liabilities respectively. These items are regarded as working capital for running the business. And trade and other current payables could be depicted as per the table below:

Trade and Other Current Payables	As at 31 Dec 2024		As at 30 Jun 2025	
	MB	%	MB	%
Trade Payables	374.73	97.18	421.90	97.51
Other Current Payables	0.44	0.11	1.47	0.34
Trade Payables - Retention	0.49	0.13	0.37	0.09
Accrued Expenses	9.94	2.58	8.92	2.06
<b>Total Trade and Other Payables</b>	<b>385.60</b>	<b>100.00</b>	<b>432.66</b>	<b>100.00</b>

The major trade and other current payables were trade payables, mostly for equipment, service and sub-contractor costs in projects.

Most of the liabilities were current liabilities with its proportion as at 2024 and at Q2/2025 at 88.90% and 92.72% of total liabilities respectively.

#### **Shareholders' Equity**

The shareholders' equity was in the amount of 889.69 million THB at the year end of 2024 and amount of 875.07 million THB at the end of Q2/2025 which the legal reserve is accounted for at the total amount of 33.75 million THB and the rest of unappropriated retained earnings was 255.42 million THB.

#### **Funding Structure**

D/E ratio of the Company was at 1.00 and 1.21 at the end of 2024 and of Q2/2025 respectively.