



(Translation)

LTO-2025-0034

20 February 2025

Subject: Submission of the Management Discussion and Analysis based on
the Financial Statements for the year 2024 ended 31 December 2024

Attention: The President of the Stock Exchange of Thailand

Information and Communication Networks Public Company limited ("Company") held the Board of Directors' Meeting No. 1/2025 on 20 February 2025. The Meeting approved the financial statements for the year 2024 ended 31 December 2024, which were audited by the Company's auditor.

We would like to submit the Management Discussion and Analysis based on the financial statements for the year 2024 ended 31 December 2024.

Please be informed accordingly.



Sincerely yours,

(Mr. Wirat Rungruangboriboon)

Chief Financial Officer

Executive Summary

The 4th quarter of 2024 operating results of the company recognized sales and services revenue including net profit more than the same period of the prior year caused from the sales and services revenue of many projects that were recognized later than the scheduled time of the prior quarter and were recognized in the 4th quarter.

The Company performance in 4th quarter of 2024 showed its total revenue at 466.19 million THB categorized into sales and services revenue at 465.47 million THB and other revenues at 0.72 million THB compared to total revenue of 312.20 million THB in the same period of 2023. Its cost of sales and expenses were at 400.49 million THB or 85.91% of total revenue in Q4/2024 and at 282.96 million THB or 90.63% of total revenue in Q4/2023. In term of net profit, it was equivalent to 53.26 million THB or 11.42% of total revenue in Q4/2024 compared with the same period of last year, which was equivalent to 22.77 million THB showing an increase by 30.49 million THB, accounted for 133.90%.

Considering the performance of the year 2024, the Company reported its total revenue at 1,425.60 million THB comprising of sales and services revenue at 1,422.97 million THB and other revenues at 2.63 million THB reflecting an increase compared to total revenue of 1,860.20 million THB in 2023 due to the deferral of high-volumed potential biddings. Its cost of sales and expenses were at 1,236.75 million THB or 86.75% of total revenue in 2024 and at 1,639.56 million THB or 88.14% of total revenue in 2023. In term of net profit, it was equivalent to 150.16 million THB or 10.53% of total revenue in 2024 when compared with the last year at 174.83 million THB or 9.40% of total revenue in 2023, showing a decrease by 24.67 million THB, accounted for 14.11%.

1. Business Performance Analysis

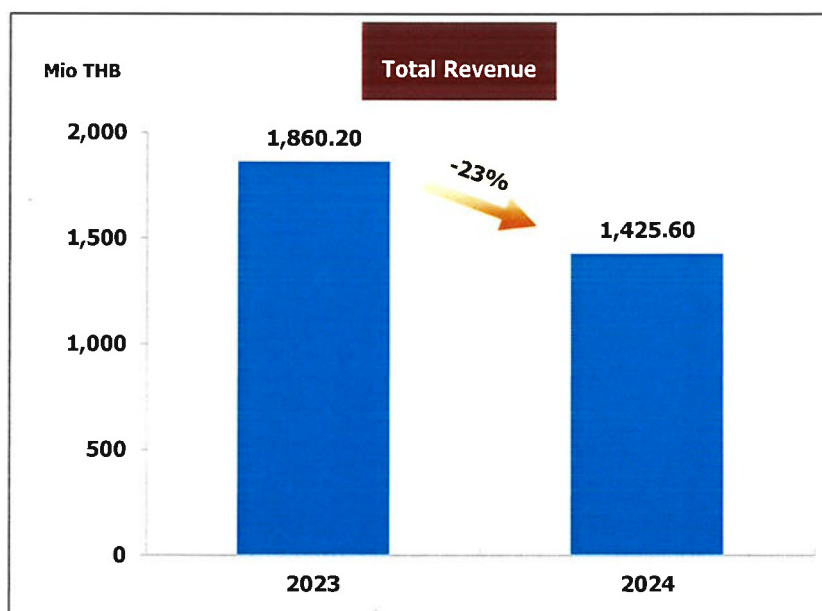
1.1 Revenue

For the year 2023 and of 2024 the Company reported its total revenue of 1,860.20 million THB and 1,425.60 million THB respectively with the decrease by 23% compared to the same period of last year. The major revenues were recognized from the projects; for instance, Contract for Rental of Sustainable Digital Community Ecosystem Development Project : activity 1 to provide a public internet service center (Digital Community Centers) Group 2 : Equipment Rental and Personnel Recruitment for 454 Digital Community Centers, Procurement of Mobile Phone Signal Booster Equipment to Add Wi-Fi Calling Service, High-Speed Internet Service Project in Remote Area (Zone C), and Procurement and Installation for IP Access Network Equipment (Extension) for North Eastern Area Region etc.

Type	Consolidated		Consolidated	
	2023		2024	
	MB	%	MB	%
1. Sales Revenue	1,858.45	99.91	1,422.97	99.82
2. Other Revenue*	1.75	0.09	2.63	0.18
Total	1,860.20	100.00	1,425.60	100.00

Remarks *Other Revenue comprises of interest income, etc.

Total revenue can be categorized into sales revenue, whereby in 2023 and 2024, sales revenue was accounted for 99.91% and 99.82% of total revenue, respectively.

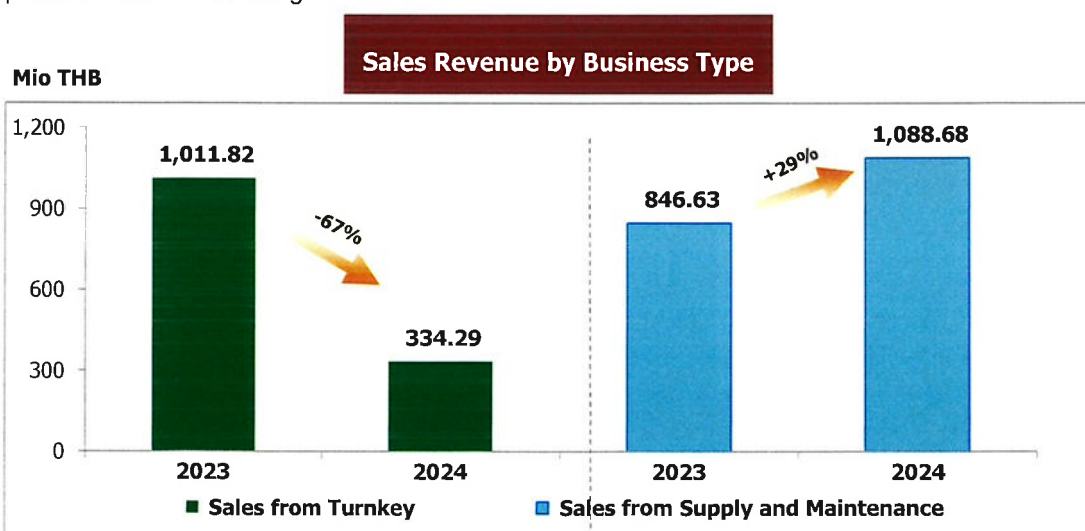


Sales and Services Revenue

Sales and Services revenue in 2023 and 2024 consisted of turnkey business including telecommunication system, supply service and maintenance.

Type	Consolidated		Consolidated	
	2023		2024	
	MB	%	MB	%
Sales Revenue				
Sales Revenue from Turnkey Business	1,011.82	54.44	334.29	23.49
- Sales Revenue from Telecommunication System	1,011.82	54.44	334.29	23.49
Sales Revenue from Supply Service and Maintenance	846.63	45.56	1,088.68	76.51
- Sales Revenue from Supply of Telecommunication System	58.35	3.14	268.02	18.84
- Sales Revenue from Service and Maintenance of Telecommunication System	788.28	42.42	820.66	57.67
Total Sales Revenue	1,858.45	100.00	1,422.97	100.00

In 2024, sales revenue from turnkey business and supply, Service and maintenance were reported at 334.29 million THB and 1,088.68 million THB or proportionately at 23.49% and 76.51% of total sales revenue respectively. Sales revenue from turnkey business showed a decrease by 67% comparing to the same period of previous year due to the large projects had been delivered and revenue was recognized in the same period of the previous year and various potential biddings had been deferred. In term of revenue from supply and maintenance, it showed an increase by 29% caused from partially recognized service revenue of the contract for sustainable digital community ecosystem development project activity 1 by providing a public internet service center Group 2 (Digital Community Centers) and delivering Mobile Phone Signal Booster Equipment to Add Wi-Fi Calling Service etc.



Other Revenue

In 2023 and 2024, the Company reported its other revenue at 1.75 million THB and 2.63 million THB respectively, equivalent to 0.09% and 0.18% of total revenue and the major item was interest income.

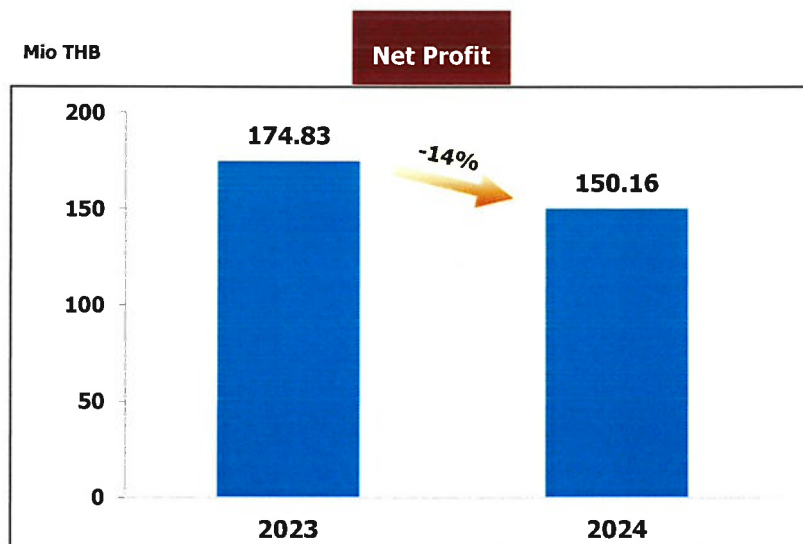
1.2 Cost of Sales and Expenses

Major costs of the Company composed of cost of sales, selling expense, administrative expense and interest expense. In 2023 and 2024, the Company showed its cost of sales and expense at 1,639.56 million THB and 1,236.75 million THB respectively, proportionately at 88.14% and 86.75% of total revenue.

CoS and Expenses	Consolidated		Consolidated	
	2023		2024	
	MB	%	MB	%
Cost of Sales	1,542.46	82.92	1,143.54	80.22
Selling Expense	35.86	1.93	31.25	2.19
Administrative Expense	60.12	3.23	61.00	4.28
Finance Cost	1.12	0.06	0.96	0.06
Total CoS and Expenses	1,639.56	88.14	1,236.75	86.75
Total Revenue	1,860.20	100.00	1,425.60	100.00

1.3 Net Profit

As a result of overall business performance, the Company reported its net profit for 2023 and 2024 at 174.83 million THB and 150.16 million THB respectively, accounted for 9.40% and 10.53% of total revenue.



2 Financial Status

2.1 Assets

At the end of 2023 and of 2024, the Company reported their total assets of 2,116.18 million THB and 1,800.77 million THB respectively. The major asset items are cash and cash equivalents, trade and other current receivables, contract assets and assets for leased at the end of 2023, proportionately at 8.25%, 34.30%, 20.19% and 28.66% of total assets respectively and at the end of 2024 proportionately at 18.91%, 22.16%, 21.91% and 26.25% of total assets. Total current assets are accounted for 64.02% for the year end 2023 and 63.51% for 2024 to total assets.

With reference to the major asset items, a significant portion remained at trade and other current receivables, contract assets and assets for leased, which reached at 1,759.61 million THB equivalent to 83.15% of total assets at the end of 2023 and reached at 1,266.33 million THB equivalent to 70.32% of total assets at the end of 2024.

2.2 Sources of Fund

Liabilities

The Company reported their total liabilities at 1,220.09 million THB at the end of 2023 and 885.75 million THB at the end of 2024 and the major items are short-term loans, trade and other current payables, contract liabilities and loans from financial institutions with the proportion in 2023 and in 2024 of 73.66% and 78.05% 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 2023		As at 31 Dec 2024	
	MB	%	MB	%
Trade payables	364.68	93.34	374.73	97.18
Other current payables	0.48	0.12	0.44	0.11
Trade payables – retention	0.36	0.10	0.49	0.13
Accrued expenses	25.18	6.44	9.94	2.58
Total	390.70	100.00	385.60	100.00

The major trade and other current payables, mostly were trade payables for equipment, service and sub-contractor costs in projects with the proportion in 2023 and in 2024 of 93.34% and 97.18% respectively.

Most of the liabilities were current liabilities with its proportion as at 2023 and at 2024 at 74.99% and 88.90% of total liabilities respectively.

Shareholders' Equity

The shareholders' equity was in the amount of 872.63 million THB at the year end of 2023 and amount of 889.69 million THB at the end of 2024 which the legal reserve is accounted for at the total amount of 33.75 million THB and the rest of unappropriated retained earnings was 265.56 million THB.

Funding Structure

D/E ratio of the Company was at 1.40 and 1.00 at the end of 2023 and of 2024 respectively. Excluding contract liabilities amounting to 355.85 million THB and 258.10 million THB as of year of 2023 and 2024, respectively, the D/E ratio would be 0.99 and 0.71, respectively.