



(Translation)

LTO-2024-0198

7 November 2024

Subject: Submission of the Management Discussion and Analysis based on
the Interim Financial Statements for the Nine-Month period ended 30 September 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. 4/2024 on 7 November 2024. The Meeting approved the interim financial statements for the nine-month period ended 30 September 2024, 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 nine-month 2024 period ended 30 September 2024.

Please be informed accordingly.

Sincerely yours,

(Mr. Wirat Rungruangboriboon)

Chief Financial Officer

Executive Summary

The constantly stagnant national economic situation causing the delay in major project biddings has given a slow-down business impact of the Company. Additionally, a good number of high-volumed projects had been recognized in the same period of prior year. These resulted in lower sales revenue and profit when comparing the 9-month performance in the year 2024 to last year; whereas, the net profit margin in overall remains in a satisfactory level. However, the Company has been closely monitoring the situation and adopted any plausible approaches to handle these situations.

Considering the performance in the 9 months of 2024, the company continues to recognize income from projects that are currently in progress. The Company reported its total revenue at 959.41 million THB categorized into sale revenue at 957.50 million THB and other revenues at 1.91 million THB compared to total revenue of 1,548.00 million THB in the same period of 2023. Its cost of sales and expenses were at 836.28 million THB or 87.16% of total revenue in the same period of 2024 and at 1,356.60 million THB or 87.64% of total revenue in the same period of 2023. In term of net profit, it was equivalent to 96.90 million THB or 10.10 % of total revenue in 9 months of 2024 showing decrease by 55.16 million THB, accounted for 36.28% when compared with the same period of last year equivalent to 152.06 million THB or 9.82% of total revenue in comparison to the previous year.

Considering the performance in the 3rd quarter of 2024, the Company reported its total revenue at 387.18 million THB categorized into sale revenue at 385.99 million THB and other revenues at 1.19 million THB. Its cost of sales and expenses were at 341.03 million THB or 88.08% of total revenue in Q3/2024. In term of net profit, it was equivalent to 36.45 million THB or 9.42 % of total revenue in Q3/2024.

1. Business Performance Analysis

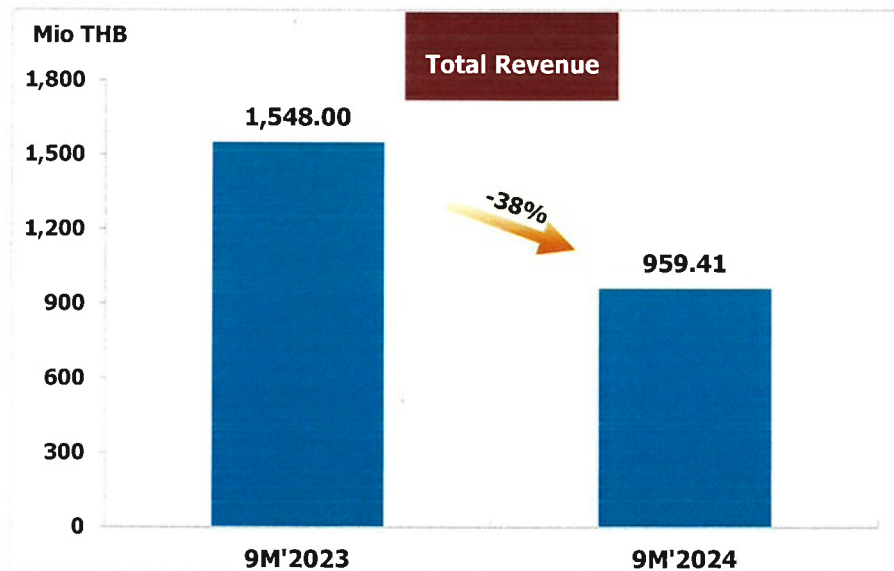
1.1 Revenue

For the 9 months in 2023 and of 2024 the Company reported its total revenue of 1,548.00 million THB and 959.41 million THB respectively with the decrease by 38% compared to the same period of last year. 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, and High-Speed Internet Service Project in Remote Area (Zone C) etc.

Type	Consolidated		Consolidated	
	Jan - Sep 2023		Jan - Sep 2024	
	MB	%	MB	%
1. Sales and Services Revenue	1,546.93	99.93	957.50	99.80
2. Other Revenue*	1.07	0.07	1.91	0.20
Total	1,548.00	100.00	959.41	100.00

Remarks *Other Revenue comprises of interest income, etc.

Total revenue can be categorized into sales and services revenue and other revenue, whereby for the 9 months in 2023 and 2024, sales and services revenue were accounted for 99.93% and 99.80% of total revenue and other revenue was equivalent to 0.07% and 0.20% respectively.

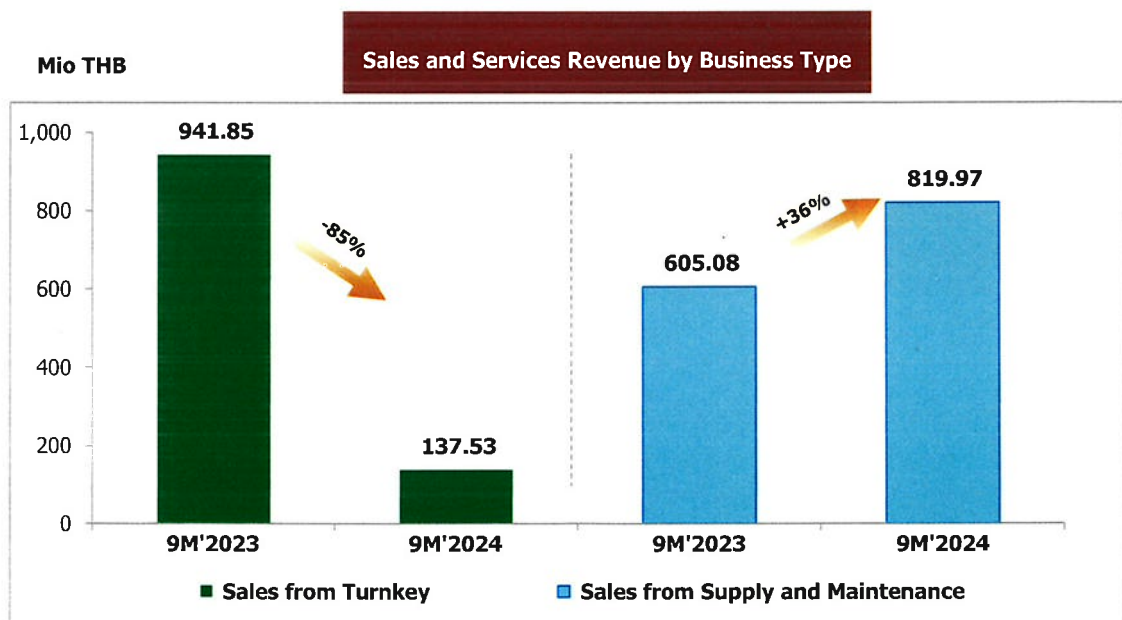


Sales Revenue

Sales revenue for the 9 months in 2023 and 2024 consisted of turnkey business including telecommunication system and construction, supply and maintenance.

Type	Consolidated		Consolidated	
	Jan - Sep 2023		Jan - Sep 2024	
	MB	%	MB	%
Sales and Services Revenue				
Sales Revenue from Turnkey Business	941.85	60.89	137.53	14.36
- Sales Revenue from Telecommunication System	941.85	60.89	137.53	14.36
Sales Revenue from Supply Service and Maintenance	605.08	39.11	819.97	85.64
- Sales Revenue from Supply of Telecommunication System	30.93	2.00	203.89	21.30
- Sales Revenue from Service Maintenance of Telecommunication System	574.15	37.11	616.08	64.34
Total Sales and Services Revenue	1,546.93	100.00	957.50	100.00

During 9 months in 2024, sales revenue from turnkey business and supply, service and maintenance were reported at 137.53 million THB and 819.97 million THB or proportionately at 14.36% and 85.64% of total sales and services revenue respectively. Sales revenue from turnkey business showed a decrease by 85% comparing to the same period of previous year due to the deferral of new bidding project as well as large projects with higher sales volume had been delivered in previous year in comparison to the current period. Revenue from the equipment sales, service and maintenance business increased by 36% due to increased sales of telecommunications equipment.,



Other Revenue

For the 9 months in 2023 and 2024, the Company reported its other revenue at 1.07 million THB and 1.91 million THB respectively, equivalent to 0.07% and 0.20% 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 expenses, administrative expenses and interest expense. For the 9 months in 2023 and 2024, the Company showed its cost of sales and expenses at 1,356.60 million THB and 836.28 million THB with the proportion of 87.64% and 87.16% of total revenue respectively.

Cost of Sales and Expenses	Consolidated		Consolidated	
	Jan - Sep 2023		Jan - Sep 2024	
	MB	%	MB	%
Cost of Sales	1,285.71	83.06	769.22	80.18
Selling Expenses	25.53	1.65	22.94	2.39
Administrative Expenses	44.53	2.88	43.31	4.51
Finance Cost	0.83	0.05	0.81	0.08
Total Cost of Sales and Expenses	1,356.60	87.64	836.28	87.16
Total Revenue	1,548.00	100.00	959.41	100.00

1.3 Net Profit

As a result of overall business performance, the Company reported its net profit for the 9 months in 2023 and 2024 at 152.06 million THB and 96.90 million THB respectively, accounted for 9.82% and 10.10% of total revenue.



2 Financial Status

2.1 Assets

At the end of 2023 and of Q3/2024, the Company reported their total assets of 2,116.18 million THB and 2,011.11 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 2023, proportionately at 8.25%, 34.30%, 20.19% and 28.66% of total assets respectively and at the end of Q3/2024 proportionately at 17.07%, 26.47% and 17.47% and 25.42% of total assets. Total current assets are accounted for 64.02% for the year end 2023 and 68.15% for Q3/2024 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 1,759.61 million THB equivalent to 83.15% of total assets at the end of 2023 and reached at 1,394.79 million THB equivalent to 69.35% of total assets at the end of Q3/2024. The decrease in the Company's main assets in the third quarter of 2024 came from the gradual revenue recognition from the assets leases in related project, contract assets that can be billed according to work milestones, and receiving payments from trade receivables from various projects completed.

2.2 Sources of Fund

Liabilities

The Company reported their total liabilities at 1,220.09 million THB at the end of 2023 and 1,071.84 million THB at the end of Q3/2024 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 Q3/2024 of 74.66% and 79.53% of total liabilities respectively. 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 30 Sep 2024	
	MB	%	MB	%
Trade payables	364.68	93.34	513.17	97.92
Other current payables	0.48	0.12	0.55	0.10
Trade payables – retention	0.36	0.10	0.45	0.09
Accrued expenses	25.18	6.44	9.88	1.89
Total	390.70	100.00	524.05	100.00

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 2023 and at Q3/2024 at 74.99% and 88.17% 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 914.93 million THB at the end of Q3/2024 which has increased in corresponding to the business result of which the legal reserve is accounted for at the total amount of 33.75 million THB and the rest of unappropriated retained earnings was 278.96 million THB.

Funding Structure

D/E ratio of the Company was at 1.40 and 1.17 at the end of 2023 and of Q3/2024 respectively.