

NETWORK



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**PRO  
INSIDE**  
PUBLIC COMPANY LIMITED



SECURITY



PLATFORM

**PRO INSIDE Public Company Limited**

Management Discussion and Analysis

For the three-month period ended March 31, 2025

May 14, 2025

Subject: Management Discussion and Analysis for the 1<sup>st</sup> quarter 2025  
To: President The Stock Exchange of Thailand  
Attachment: A copy of the financial statements for the three-month period ended March 31, 2025 (1 set)

Pro Inside Public Company Limited (the “Company”) hereby submits the financial statements for the three-month period ended March 31, 2025, which have been audited by an independent auditor, along with the Management Discussion and Analysis (MD&A). This information is provided for investors and the general public. The details are as follows:

### **Economic and Industry Conditions Impacting Operations**

In Q1 2025, the Company was affected by the volatility of both domestic and international economic conditions, which remained uncertain due to persistently high policy interest rates. This situation impacted financial costs associated with high-value investment projects. Nevertheless, the Company has prudently managed its capital structure, focusing on maintaining borrowing costs at a level appropriate to project cash flows. Additionally, it has planned debt repayment and secured funding in advance to mitigate interest rate risks.

The Information and Communication Technology (ICT) industry continued to exhibit growth momentum during the early part of the year, supported by the government’s digital economy initiatives—such as the development of digital infrastructure, smart cities, and the transition to a digital government. At the same time, the market remains highly competitive, with both domestic and international players, particularly in the areas of Cloud, AI, and Big Data.

During the quarter, the Company focused on developing solutions that address the needs of both government and private sector clients. These include AI-driven security systems, cloud-based data management, and IT outsourcing services aimed at cost reduction and operational efficiency. The Company also expanded collaborations with global technology partners to enhance its competitive capabilities.

In parallel, the Company closely monitored global economic developments, particularly the United States’ tax policies, which have implications for global trade and investment sentiment. Although the current direct impact on the Company remains limited, it recognizes the potential for changes in the cost of acquiring technology equipment from international manufacturers and possible exchange rate fluctuations in the near future.

Moreover, the Company prioritized supply chain risk management arising from export control policies by trading partner countries. It implemented proactive strategies to mitigate such risks, such as expanding its customer base, sourcing alternative suppliers, and developing value-added solutions.

Through these strategies, the Company remains confident in its ability to navigate both macroeconomic and industry-specific challenges while maintaining its competitiveness and achieving sustainable growth in 2025.

### **Summary of Key Events and Developments**

- **January 7, 2025:** The Company set its IPO offering price at THB 3 per share, with the subscription period scheduled for January 9-13, 2025.
- **January 9, 2025:** The Company signed a contract for the maintenance of core business software systems and the integration of related systems with the Provincial Electricity Authority (PEA), under a joint venture named PTN PI Consortium. The total project value is THB 1,504,420,000 (including VAT), with a service

period of 24 months from April 1, 2025, to March 31, 2027. The Company is responsible for 46% of the project value.



- **January 20, 2025:** The Company's shares were officially listed and began trading on the Market for Alternative Investment (mai) under the Technology industry group.
- **February 13, 2025:** The Company, as part of the SP Consortium, signed a contract with NT to supply a national healthcare cloud system. The project, valued at THB 992,300,000 (including VAT), supports the development of a centralized cloud infrastructure for nationwide health information exchange (Activity 1). The delivery timeline is 180 days from the contract signing date. The Company is responsible for 49% of the project value.
- **March 3, 2025:** The Company was notified by the Provincial Electricity Authority (PEA) as the winning bidder for the procurement, development, implementation, and maintenance of an Enterprise Resource Planning (ERP) system. The total project value is THB 2,938,220,000 (including VAT).

## Summary of Operating Results

Operating Performance Overview for the three-month period ended March 31, 2024

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
<b>Total Revenue</b>	629	482	256	31%	146%
<b>Net Profit</b>	72	36	24	100%	200%
<b>Basic Earnings per Share (Baht/Share)</b>	0.14	0.09	0.06	56%	133%

## Net Profit

In Q1/2025, the Company recorded operating revenue of THB 629 million, representing an increase of THB 373 million or 146% compared to Q1/2024.

The significant growth was primarily driven by revenue recognition from large-scale projects that were successfully delivered during the quarter. As a result, the Company's net profit for Q1/2025 increased by THB 48 million, or 200% compared to the same period last year.

## Revenue

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Revenue from System Integration Services	364	349	88	4%	314%
Revenue from Sales	0.2	1	7	(80%)	(97%)
Revenue from Services	264	132	161	100%	64%
<b>Total Revenue</b>	<b>628</b>	<b>482</b>	<b>256</b>	<b>30%</b>	<b>145%</b>

**Revenue from System Implementation in Q1/2025 amounted to THB 364 million, an increase of THB 276 million or 314% year-on-year.** The significant growth was due to revenue recognition from several high-value project deliveries during the quarter, which exceeded those recognized in Q1/2024. Key projects included:

- The national healthcare cloud system project for National Telecom Public Company Limited (NT)
- The computer procurement project for replacing outdated microcomputers to enhance operational efficiency for the Excise Department
- The automatic license plate recognition (ALPR) system installation project covering 180 locations in the Central, Eastern, and Southern regions for the Narcotics Suppression Bureau
- Activity 1 of the national healthcare cloud development project: Development of a nationwide health data exchange management system for the Digital Economy and Society Development Office
- The procurement and installation of CCTV systems and related equipment for districts of Chana, Na Thawi, Thepha, and Saba Yoi, along with the upgrade of the main CCTV control center at Sri Kiattiphat Building for the Songkhla Provincial Administrative Organization

**Revenue from Sales in Q1/2025 amounted to THB 0.2 million** came mainly from sales of computer equipment to a limited number of private-sector customers.

**Revenue from Services in Q1/2025 amounted to THB 264 million, an increase of THB 103 million or 64% year-on-year.** This growth was mainly driven by the following major service contracts:

- Revenue from the rental contract of the vehicle tracking and monitoring system (GPS) including installation for the Bangkok Mass Transit Authority (BMTA)
- Revenue from the maintenance contract for the automatic license plate recognition system (fixed and mobile units) and data center systems, signed in Q4/2024 for fiscal year 2025

## Cost

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Cost of System Integration Services	291	286	62	2%	369%
Cost of Sales	0.1	-	5	-	98%
Cost of Services	200	92	117	117%	71%
<b>Total Cost</b>	<b>491</b>	<b>378</b>	<b>184</b>	<b>30%</b>	<b>167%</b>
<b>Gross Profit</b>	<b>138</b>	<b>104</b>	<b>72</b>	<b>33%</b>	<b>92%</b>
<b>Gross Profit Margin (%)</b>	<b>21.9</b>	<b>21.6</b>	<b>28.1</b>		

**Total costs in Q1/2025 amounted to THB 491 million, representing an increase of THB 307 million or 167% compared to THB 184 million in Q1/2024.** The Company's overall gross profit margin declined from 28.1% in Q1/2024 to 21.9% in Q1/2025, mainly due to the following factors:

**The cost of system implementation increased at a higher rate than the corresponding revenue growth.** This was because the projects recognized in Q1/2025 had lower gross profit margins compared to those recognized in Q1/2024.



**The cost of services increased in line with the rise in service revenue.** However, the cost of services grew at a higher rate than service revenue, as the service contracts recognized in Q1/2025 carried lower gross profit margins compared to the same period last year.

#### **Selling, Administrative Expenses, and Finance Costs**

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Selling Expenses	15	12	12	25%	25%
Administrative Expenses	32	30	25	7%	28%
Finance Costs	12	6	4	100%	200%
<b>Total Expenses</b>	<b>58</b>	<b>48</b>	<b>41</b>	<b>21%</b>	<b>42%</b>
<b>Expense Ratio to Revenue (%)</b>	<b>9.2</b>	<b>10.0</b>	<b>16.0</b>		

**Total expenses for Q1/2025 amounted to THB 58 million, an increase of THB 17 million or 42% from the same period last year.**

The key contributing factors were as follows:

- **Selling expenses increased by THB 3 million**, mainly due to the expansion of the sales team in preparation for upcoming projects.
- **Administrative expenses increased by THB 7 million**, primarily driven by guarantee issuance fees related to large-scale projects signed in Q1/2025, as well as additional personnel costs from expanding the administrative team to support business growth.
- **Finance costs increased by THB 8 million**, as the Company undertook more new projects, leading to higher borrowings to support working capital and project execution.

#### **Summary of Financial Position**

As of March 31, 2025, total assets amounted to THB 2,446 million, representing an increase of THB 691 million or 39% from THB 1,754 million as of December 31, 2024.

The increase was mainly due to:

- Trade and other receivables rising by THB 514 million, largely resulting from revenue recognized in previous quarters that became billable in Q1/2025.
- Project prepayments increasing by THB 157 million, due to the purchase of equipment for large-scale projects initiated in Q1/2025 to ensure timely execution.
- However, contract assets decreased by THB 131 million, corresponding with the issuance of invoices to customers, which aligns with the increase in trade receivables.

Total liabilities as of March 31, 2025, stood at THB 1,601 million, increasing by THB 173 million or 12% from THB 1,428 million as of December 31, 2024.

The increase was primarily attributable to:

- An increase of THB 412 million in bank borrowings, used to support working capital and the execution of newly awarded large-scale projects.
- Nevertheless, trade payables decreased by THB 184 million, following scheduled debt settlements made during Q1/2025.

Total shareholders' equity as of March 31, 2025, was THB 844 million, up by THB 518 million or 159% from THB 326 million as of December 31, 2024.

The significant increase was mainly due to the IPO issuance of 170 million shares at a price of THB 3 per share, completed in January 2025.

## Key Financial Ratios

Financial Ratio	Q1/2025	Q4/2024	Q1/2024
<b>Liquidity Ratios</b>			
Current Ratio	1.3	1.0	1.0
Quick Ratio	0.5	0.2	0.3
<b>Activity Ratios</b>			
Average Collection Period (Days)	49	37	102
<b>Leverage Ratios</b>			
Debt to Equity Ratio	1.9	4.4	2.3
Interest Coverage Ratio	7.8	7.9	8.0
Debt Service Coverage Ratio	6.6	9.4	9.0
<b>Profitability Ratios</b>			
Return on Asset (ROA)	10.5%	9.4%	20.0%
Return on Equity (ROE)	24.6%	30.0%	45.7%

### 1. Liquidity Ratios

In Q1/2025, the Company reported a current ratio of 1.3 times, indicating a sound level of liquidity sufficient to support business operations and meet short-term liabilities.

The quick ratio stood at 0.5 times, reflecting an increase in inventory and work-in-progress, in line with the Company's business expansion plans and upcoming projects.

Although the lower quick ratio suggests a reliance on project cash flows and timely collection from clients, the Company has implemented a proactive liquidity management strategy, which include accelerating the billing and collection process, enhancing project cost control efficiency, and aligning credit facilities with expected cash inflows.

### 2. Activity Ratios

In Q1/2025, the Company's **Average Collection Period** improved significantly, decreasing to **49 days** from **102 days** in Q1/2024. This improvement reflects more efficient receivables management, as the Company has accelerated its billing and collection processes. The shorter collection period has enhanced cash flow, reduced the risk of bad debts, and allowed the Company to allocate working capital more effectively to support new projects.

### 3. Leverage Ratios

In Q1/2025, the Company's Debt to Equity Ratio stood at 1.9 times, down from 2.3 times in Q1/2024.

The decrease was mainly due to a capital increase from the IPO completed during the quarter. The Company also maintained strong debt servicing capability:

The Interest Coverage Ratio was 7.8 times, slightly down from 8.0 times in Q1/2024, indicating the Company's continued ability to comfortably service its interest obligations.

The Debt Service Coverage Ratio (DSCR) declined to 6.6 times, compared to 9.0 times in Q1/2024, reflecting the Company's ongoing capacity to manage its cash flow to meet debt obligations in the future.

### 4. Profitability Ratios

In Q1/2025, the Company recorded a **Return on Assets (ROA)** of **10.5%**, compared to **20.0%** in Q1/2024.

The decline was attributed to the Company's investment in large-scale projects, which led to a faster growth in total assets relative to net profit. Meanwhile, the **Return on Equity (ROE)** was **24.6%**, down from **45.7%** in Q1/2024. The decrease in profitability ratios was primarily due to the capital increase from the IPO, which was intended to fund the Company's strategic investments in large projects.

## **Factors Impacting Business Operations or Future Growth**

The Company has analyzed and assessed the key factors that may impact its operations and future growth, which can be categorized as follows:

### **1. Government Policy and Investment**

The Company derives a significant portion of its revenue from government projects. Any reduction in public budgets or changes in policy direction may affect its revenue plans and business expansion. To mitigate this risk, the Company has adopted a diversification strategy by expanding its customer base to include state enterprises and private sector clients. Additionally, the Company is actively developing solutions aligned with government digital strategies such as Smart City initiatives, cloud-based public services, and digital transformation projects. The Company also closely monitors ICT-related government policies to ensure it remains responsive to regulatory and strategic shifts.

### **2. Technology and Innovation Trends**

Global technological advancements continue at a rapid pace, particularly in areas such as generative AI, cloud-native platforms, cybersecurity, and advanced analytics. The Company's ability to timely adapt and develop relevant solutions is crucial to maintaining competitiveness. As such, the Company has increased its investment in R&D and is continuously enhancing staff capabilities in AI, DevSecOps, and cloud infrastructure technologies.

### **3. Macroeconomic Conditions and Interest Rates**

Although inflation in Thailand has begun to stabilize, the Monetary Policy Committee has maintained high policy interest rates to control core inflation. This has resulted in persistently high financial costs, particularly during periods of heavy capital investment. In response, the Company emphasizes tight cash flow management, strict credit control, and the exploration of flexible financing options such as leasing or low-cost borrowing from strategic partners.

### **4. Tax and Trade Regulations**

Changes in regional or international tax policies and trade regulations may affect the Company's cost structure and competitiveness, especially regarding the importation of technology equipment. The Company actively monitors trade negotiations, import tariffs, and tax regulations relevant to the ICT industry, while also evaluating procurement alternatives to reduce dependency on foreign markets.

Despite external and internal challenges that may impact operations, the Company remains confident in its ability to sustain competitive advantages and achieve long-term growth, supported by a structured risk management framework and proactive strategic planning.

## **Sustainability Development**

The Company recognizes the importance of conducting business with a strong focus on Environmental, Social, and Governance (ESG) factors, which have become key considerations for investors in their decision-making processes. As a result, the Company is committed to responsible and sustainable business practices and has established policies and measures to promote sustainability across all dimensions, as follows:

### **1. Environmental** – The Company is committed to minimizing environmental impact by optimizing resource utilization and reducing greenhouse gas emissions through the following measures:

- Targeting a 10% reduction in electricity consumption by 2029, compared to the 2023 baseline.
- Reducing water consumption by 10% and water-related expenses by 5% by 2029.
- Implementing Paperless and E-Document systems to replace paper usage.
- Participating in the “Care the Bear” initiative by the Stock Exchange of Thailand to reduce greenhouse gas emissions from corporate events.
- Utilizing energy-efficient and eco-friendly electronic equipment, such as LED lighting and devices that meet energy-saving standards.

2. **Social** – The Company prioritizes the well-being of employees, communities, and society through key initiatives, including:
  - Promoting gender equality and non-discrimination in employment practices.
  - Setting a target to keep the employee turnover rate below 3% by 2029.
  - Providing employees with at least 16 hours of training per person per year to enhance skills and knowledge.
  - Supporting IT infrastructure development in communities by installing ICT equipment and systems to improve access to technology.
  - Organizing corporate social responsibility (CSR) activities, such as donating technology equipment to underprivileged schools and institutions.
3. **Governance** – The Company is committed to conducting business with transparency and strong corporate governance, ensuring ethical business practices through the following policies:
  - Operating under good corporate governance principles and enforcing a strict anti-corruption policy.
  - Implementing transparent related-party transaction (RPT) governance measures.
  - Enhancing cost efficiency and operational effectiveness through digital solutions, such as Cloud-based Data Management.
  - Establishing a Sustainability Governance Committee to oversee ESG management and monitor the Company's sustainability initiatives.

Through these initiatives, the Company remains dedicated to conducting business responsibly while driving sustainable development, meeting the expectations of investors, society, and all stakeholders, and creating long-term value for the organization.

Please be informed accordingly.

Sincerely yours,

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MISS BENYAPA CHALERMWAT  
Director

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