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**PRO
INSIDE**
PUBLIC COMPANY LIMITED



SECURITY



PLATFORM

PRO INSIDE Public Company Limited

Management Discussion and Analysis

For the six-month period ended June 30, 2025

August 14, 2025

Subject: Management Discussion and Analysis for the 2nd quarter 2025
To: President The Stock Exchange of Thailand
Attachment: A copy of the financial statements for the six-month period ended June 30, 2025 (1 set)

Pro Inside Public Company Limited (the “Company”) hereby submits the financial statements for the six-month period ended June 30, 2025, which have been reviewed 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 the second quarter of 2025, both domestic and global economic conditions remained uncertain. Although the policy interest rate showed signs of stabilizing, it remained at a high level, making the financing cost for large-scale investment projects a key area requiring close management. The Company has therefore adopted a prudent approach in managing its capital structure, focusing on keeping borrowing costs aligned with project cash flows and implementing advance debt repayment plans to reduce long-term interest rate risks.

The Information and Communication Technology (ICT) industry continued to expand, supported by the government’s digital economy policies. Projects involving digital infrastructure development, smart cities, and the transition to digital government have become more concrete and moved into the implementation phase. Nevertheless, the market continued to face intense competition, particularly from international providers in the Cloud, AI, and Big Data segments, who increasingly offer competitive technologies and pricing.

During this quarter, the Company remained focused on developing and delivering solutions that address customer needs with speed and cost-effectiveness, such as AI-driven Security, Cloud-based Data Management, and IT Outsourcing services aimed at reducing costs and improving operational efficiency. The Company also expanded collaborations with leading global technology partners to enhance service quality and strengthen competitiveness.

On external factors, the United States’ import tariff measures became clearer during the quarter, with increases applied to certain products from specific countries. Based on the Company’s assessment, the direct impact on Thailand and on the Company’s business is limited, as the Company primarily imports products rather than exporting goods subject to higher tariff rates. Nevertheless, the Company continues to closely monitor developments in global trade policies, as future changes may indirectly affect equipment procurement costs or logistics expenses.

Through proactive strategies and comprehensive risk management, the Company remains confident in its ability to navigate challenges and capture business opportunities, thereby sustaining continuous and sustainable growth in 2025.

Summary of Key Events and Developments

- On June 4, 2025, the Company entered into a contract for the procurement, development, installation, and maintenance of an Enterprise Resource Planning (ERP) system with the Provincial Electricity Authority, with a total project value of THB 2,938,220,000 (Two Billion Nine Hundred Thirty-Eight Million Two Hundred Twenty Thousand Baht), inclusive of value-added tax (VAT).

Summary of Operating Results

Operating Performance Overview for the six-month period ended June 30, 2025

Unit: million Baht	Q2 2025	Q1 2025	Q2 2024	QoQ (%)	YoY (%)	6M 2025	6M 2024	YoY (%)
Total Revenue	812	629	335	29%	142%	1,440	591	144%
Net Profit	80	72	20	11%	300%	152	44	245%
Basic Earnings per Share (Baht/Share)	0.15	0.14	0.05	7%	200%	0.29	0.11	163%

Net Profit

In Q2/2025, the Company recorded revenue from operations of THB 812 million, representing an increase of THB 183 million or 142% compared to the same quarter of the previous year. The significant increase was primarily driven by the recognition of revenue from large-scale projects delivered in the second quarter of 2025. As a result, the Company's net profit in Q2/2025 increased by THB 60 million or 300% compared to Q2/2024.

Revenue

Unit: million Baht	Q2 2025	Q1 2025	Q2 2024	QoQ (%)	YoY (%)	6M 2025	6M 2024	YoY (%)
Revenue from System Integration Services	589	364	220	62%	168%	943	309	205%
Revenue from Sales	-	0.2	-	(100%)	-	0.2	7	(97%)
Revenue from Services	222	264	114	(16%)	95%	496	275	80%
Total Revenue	811	628	334	29%	143%	1,439	590	144%

Revenue from System Integration Services

In Q2/2025, revenue from system integration services amounted to THB 589 million, an increase of THB 369 million or 168% compared to the same period last year. This growth was primarily due to revenue recognition from major projects with significantly higher contract values than those recognized in Q2/2024, including:

- The procurement of the National Health Cloud System for Thailand by National Telecom Public Company Limited.
- The development of the National Health Cloud System for Thailand – Activity 1: Development of a Health Data Exchange Management System for the Office of the National Digital Economy and Society Commission.
- The procurement, development, installation, and maintenance of an Enterprise Resource Planning (ERP) system.

Revenue from Services

In Q2/2025, revenue from services totaled THB 222 million, a decrease of THB 42 million or 16% compared to the same period last year. The main service revenue in this quarter was generated from the following key projects:

- Rental contract for the Bus Operation Monitoring (GPS) system with installation for the Bangkok Mass Transit Authority.
- Maintenance service contract for the Core Business Application System and related system integration.
- Maintenance service contract for the Automated License Plate Recognition (ALPR) system, the Mobile ALPR system, and the central server room system for the fiscal year 2025.

Cost

Unit: Million Baht	Q2 2025	Q1 2025	Q2 2024	QoQ (%)	YoY (%)	6M 2025	6M 2024	YoY (%)
Cost of System Integration Services	462	291	166	59%	178%	753	227	232%
Cost of Sales	-	0.1	-	(100%)	-	0.1	5	(98%)
Cost of Services	190	200	92	(5%)	107%	390	209	87%
Total Cost	652	491	258	33%	153%	1,143	441	159%
Gross Profit	159	138	76	15%	109%	296	149	99%
Gross Profit Margin (%)	19.6	21.9	22.8			20.6	25.3	

Total Cost

In Q2/2025, the Company recorded total costs of THB 652 million, an increase of THB 394 million or 153% compared to THB 258 million in the same quarter of the previous year. The overall gross profit margin decreased from 22.8% to 19.6% year-on-year, primarily due to:

- **Higher cost from system intergration services** — The cost of SI increased at a higher proportion than the corresponding revenue growth, as the projects recognized in Q2/2025 had lower gross profit margins compared to those recognized in Q2/2024.
- **Higher cost from services** — Service costs increased in line with the rise in service revenue. However, the increase in service costs outpaced the revenue growth due to the projects recognized in Q2/2025 having lower gross profit margins compared to those recognized in Q2/2024.

Selling, Administrative Expenses, and Finance Costs

Unit: Million Baht	Q2 2025	Q1 2025	Q2 2024	QoQ (%)	YoY (%)	6M 2025	6M 2024	YoY (%)
Selling Expenses	13	15	13	(13%)	0%	27	25	8%
Administrative Expenses	36	32	35	13%	3%	68	60	13%
Finance Costs	12	12	5	0%	140%	24	9	167%
Total Expenses	61	58	53	5%	15%	119	94	27%
Expense Ratio to Revenue (%)	7.5	9.2	15.9			8.3	15.9	

In Q2/2025, the Company's total expenses amounted to THB 61 million, an increase of THB 8 million or 15% compared to the same quarter of the previous year. The primary contributing factor was:

- **Higher finance costs** — Finance costs increased by THB 7 million due to the Company undertaking a greater number of new projects, resulting in additional borrowings to provide working capital and support project execution.

Summary of Financial Position

Total Assets

As of June 30, 2025, the Company's total assets amounted to THB 2,996 million, an increase of THB 1,241 million or 71% from THB 1,755 million as of December 31, 2024. The increase was mainly due to:

- **Trade and other receivables** increasing by THB 940 million, primarily from revenue recognized in the previous quarter that became due for billing in Q2/2025.
- **Inventories** rising by THB 155 million from the procurement of equipment for large-scale projects during Q2/2025 to ensure project execution as planned.
- **Restricted deposits** increasing by THB 93 million as collateral for bid bonds and performance bonds for new projects in 2025.

Meanwhile, cash and cash equivalents decreased by THB 102 million, mainly from payments for equipment purchases, service costs, and partial loan repayments in line with the Company's liquidity management plan.

Total Liabilities

As of June 30, 2025, total liabilities stood at THB 2,071 million, an increase of THB 643 million or 45% from THB 1,428 million as of December 31, 2024. The increase was mainly due to:

- **Bank borrowings** rising by THB 446 million to provide working capital and support the execution of newly awarded large-scale projects.
- **Trade payables** increasing by THB 224 million due to the procurement of equipment and project-related service costs that had not yet become due for payment.

Total Shareholders' Equity

As of June 30, 2025, total shareholders' equity amounted to THB 925 million, an increase of THB 598 million or 184% from THB 326 million as of December 31, 2024. The increase was primarily driven by the proceeds from the Company's IPO of 140 million shares at THB 3.00 per share, as well as higher net profit during the first half of the year.

Key Financial Ratios

Financial Ratio	Q2/2025	Q4/2024	Q2/2024
Liquidity Ratios			
Current Ratio	1.3	1.0	0.9
Quick Ratio	1.0	0.8	0.9
Activity Ratios			
Average Collection Period (Days)	72	37	51
Leverage Ratios			
Debt to Equity Ratio	2.2	4.4	2.1
Interest Coverage Ratio	9.5	7.9	6.4
Debt Service Coverage Ratio	- *	9.4	1.0
Profitability Ratios			
Return on Asset (ROA)	12.8%	9.4%	4.0%
Return on Equity (ROE)	48.8%	30.0%	26.2%

1. Liquidity Ratios

In Q2/2025, the Company's current ratio stood at 1.3 times, reflecting a level of liquidity sufficient to support ongoing operations and meet current liabilities. The quick ratio was 1.0 times, indicating the Company's ability to settle current liabilities using assets that can be converted into cash promptly remains adequate. The movement in the quick ratio was primarily attributable to an increase in inventories and work-in-progress assets, which are excluded from the quick ratio calculation but are necessary to support the Company's business expansion plan and new projects in the second half of the year. The Company has carefully planned its liquidity management through accelerating billing and collection processes, implementing effective project cost control, and managing credit facilities in line with cash inflows to maintain an appropriate liquidity position for continuous operations.

2. Activity Ratios

In Q2/2025, the Company's average collection period was 72 days, an increase of 21 days from 51 days in Q2/2024. This reflected an extension in the collection period for certain projects, particularly large-scale government projects with billing and payment cycles stipulated in the contract terms. Despite the longer collection period, the Company has closely monitored and managed receivables to ensure collections remain on schedule, thereby maintaining liquidity and enabling cash flows to support ongoing operations and new projects.

3. Leverage Ratios

In Q2/2025, the debt-to-equity ratio was 2.2 times, slightly higher than 2.1 times in Q2/2024. The Company maintained strong debt-servicing capability, with an interest coverage ratio of 9.5 times, up from 6.4 times in Q2/2024, indicating a solid ability to meet interest obligations from operating performance. The debt service coverage ratio (DSCR) in Q2/2025 was negative, due to negative operating cash flows arising from increases in trade receivables and inventories for large-scale projects in progress. This was the result of accelerated procurement of equipment and prepayment for project execution to meet delivery schedules in the second half of the year. Nevertheless, the Company maintained sufficient liquidity to meet both interest and principal obligations through cash carried forward from the previous quarter and credit facilities from financial institutions, and expects to realize revenue and cash inflows from billing of key projects in the coming periods.

4. Profitability Ratios

In Q2/2025, the Company's return on assets (ROA) was 12.8%, up from 4.0% in Q2/2024, reflecting the expansion into large-scale projects which led to total asset growth outpacing net profit. The return on equity (ROE) was 48.8%, an increase from 26.2% in Q2/2024.

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.

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,

MISS BENYAPA CHALERMWAT
Director

Corporate Secretary
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