



# Terabyte Plus Public Co., Ltd.

Management Discussion and Analyst (MD&A)  
For Q3/2024

November 11, 2024

Subject: Management Discussion and Analyst (MD&A) for Q3/2024 nine-month period  
Ended September 30, 2024

To: President  
The Stock Exchange of Thailand

Terabyte Plus Public Company Limited (“the Company”) hereby announces its operating results for the third quarter of 2024, concluding on September 30, 2024. These results have undergone an independent auditor’s review, with the following key highlights:

## Part 1: Revenue Structure of TERA

Terabyte Plus Public Company Limited Group (“the Company” or “TERA”) presently comprises three entities: Terabyte Plus Public Company Limited and two subsidiaries, Cluster Systems Company Limited and Skyfrog Company Limited, in which TERA maintains a 99.99% equity stake. Engaged in the ICT sector, the Group functions as both a distributor and provider of ICT infrastructure solutions, encompassing Cloud services, On-premise Hardware & Cyber Security, and Data Analytics. Furthermore, it offers the Skyfrog application, a specialized logistics management software.

The Company’s revenue structure is organized into three primary components: 1) Service Revenue, 2) Sales Revenue, and 3) Other Revenue.

Service revenue primarily comprises recurring revenue streams, alongside some one-time revenue from project-based system installations. The predominant portion of service revenue is recurring in nature, providing stability to the Company’s income profile.

Sales revenue, which arises from project-based engagements, exhibits quarter-to-quarter variability due to the timing of project completions and the corresponding revenue recognition. This characteristic, typical of the project-based business model, results in sales revenue fluctuations both on a year-over-year (YoY) and quarter-over-quarter (QoQ) basis, dependent upon the comparable periods.

## Part 2: Summary of Key Events in Q3/2024

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- 1) The Company's Board of Directors approved an accelerated investment in the T.Cloud Gen3 project (one of the IPO fund utilization objectives), moving ahead of the original schedule (previously planned for Q1 /2025). The Company has completed the tendering process, proceeded with the procurement of essential hardware, software, and services, and finalized Data Center leasing agreements for the equipment installation required for the project. Installation has commenced, with plans for a full-scale virtual test to ensure operational readiness for customer service. The project is scheduled for completion within Q4 2024, with revenue recognition anticipated to begin in early Q1/2025.
- 2) The Company has carefully screened and selected two target companies (from an initial pool of nearly ten) within the IT sector for potential investment (another IPO fund utilization objective). Due diligence is currently underway for these two target companies, with an investment target set for 2025-2026, in line with the objectives and IPO fund utilization plan outlined in the prospectus. The Company has also reported IPO fund utilization progress to the mai stock exchange for the first half of 2024.

## Part 3: Summary of Overall Performance Q3/2024

Unit: Million baht

Summary of Overall Performance	Q3/24	Q3/23	Q2/24	Change +/-		9M/24	9M/23	Change +/-
				%YoY	%QoQ			
Revenue from Sales	45.89	101.71	47.34	(54.88%)	(3.08%)	136.58	242.86	(43.76%)
Revenue from Services	83.27	83.41	72.03	(0.16%)	15.60%	227.30	220.01	3.31%
Other Revenue	1.27	2.37	1.70	(46.22%)	(25.18%)	3.23	6.42	(49.61%)
<b>Total Revenue</b>	<b>130.43</b>	<b>187.48</b>	<b>121.08</b>	<b>(30.43%)</b>	<b>7.73%</b>	<b>367.11</b>	<b>469.28</b>	<b>(21.77%)</b>
Cost of Sales	(38.13)	(88.16)	(38.42)	(56.74%)	(0.75%)	(109.46)	(207.98)	(47.37%)
Cost of Services	(58.81)	(58.68)	(49.02)	0.23%	19.97%	(158.24)	(153.37)	3.17%
<b>Total Cost of Sales and Services</b>	<b>(96.94)</b>	<b>(146.83)</b>	<b>(87.44)</b>	<b>(33.98%)</b>	<b>10.86%</b>	<b>(267.70)</b>	<b>(361.35)</b>	<b>(25.92%)</b>
<b>Gross Profit</b>	<b>32.22</b>	<b>38.28</b>	<b>31.93</b>	<b>(15.84%)</b>	<b>0.89%</b>	<b>96.18</b>	<b>101.51</b>	<b>(5.25%)</b>
Selling Expense	(9.74)	(10.04)	(11.50)	(3.07%)	(15.30%)	(32.00)	(31.27)	2.34%
Administrative Expense	(12.76)	(13.89)	(14.63)	(8.09%)	(12.77%)	(42.76)	(40.47)	5.66%
<b>Total Selling and Administrative Expenses</b>	<b>(22.50)</b>	<b>(23.93)</b>	<b>(26.13)</b>	<b>(5.98%)</b>	<b>(13.89%)</b>	<b>(74.76)</b>	<b>(71.74)</b>	<b>4.21%</b>
<b>Operating Profit</b>	<b>10.99</b>	<b>16.72</b>	<b>7.51</b>	<b>(34.26%)</b>	<b>46.40%</b>	<b>24.65</b>	<b>36.19</b>	<b>(31.88%)</b>
Financial Costs	(0.46)	(0.42)	(0.42)	10.34%	10.07%	(1.28)	(1.06)	19.92%
<b>Earnings Before Income Tax</b>	<b>10.53</b>	<b>16.30</b>	<b>7.09</b>	<b>(35.39%)</b>	<b>48.54%</b>	<b>23.38</b>	<b>35.12</b>	<b>(33.44%)</b>
Income Tax	(2.01)	(3.34)	(1.41)	(39.87%)	42.28%	(4.60)	(7.66)	(39.97%)
<b>Net Profit</b>	<b>8.52</b>	<b>12.96</b>	<b>5.68</b>	<b>(34.24%)</b>	<b>50.10%</b>	<b>18.78</b>	<b>27.47</b>	<b>(31.63%)</b>
Earning Per Share (EPS)	0.04	0.09	0.03			0.09	0.18	
Unit: Baht								
Gross Profit Margin (%)	24.94%	20.68%	26.75%			26.43%	21.93%	
Net Profit Margin (%):	6.53%	6.91%	4.69%			5.12%	5.85%	
Attributable to Parent Company								

**Remark:** Note: There may be minor discrepancies in figures due to rounding and conversion to million baht.

### 3.1: Summary of Overall Performance

#### Overall Performance Q3/2024

In September 2024, the Company reported total revenue and net profit of 130.43 million baht and 8.52 million baht, respectively. Total revenue for Q3/2024 declined year-over-year (YoY) by 57.05 million baht, or 30.43%, while net profit decreased YoY by 4.44 million baht, or 34.24%. However, compared to the previous quarter (QoQ), total revenue increased by 9.36 million baht, or 7.73%, and net profit rose by 2.84 million baht, or 50.10%. The net profit margin was 6.53%, a decrease from the 6.91% margin in the same quarter of the previous year but an increase from the 4.69% margin in the previous quarter.

The YoY revenue decrease in Q3/2024 was primarily due to a drop in project-based sales revenue. In the same period last year, the Company recognized significant revenue from a large-scale project involving the sale of equipment and installation services. However, in Q3/2024, the Company did not obtain a project of comparable scale, attributed to weakened household purchasing power and flooding in Northern Thailand from August to October 2024, which adversely affected private sector investment—the Company's primary customer base. Nevertheless, on a quarter-over-quarter (QoQ) basis, the Company achieved revenue growth of 7.73% and a net profit increase of 50.10%.

#### Overall Performance 9M/2024

For the 9M/2024 period (nine-month period) ending September 30, 2024, the Company recorded total revenue and net profit of 367.11 million baht and 18.78 million baht, respectively. Total revenue for 9M/2024 declined year-over-year (YoY) by 102.17 million baht, or 21.77%, while net profit decreased YoY by 8.69 million baht, or 31.63%. The net profit margin was 5.12%, down from 5.85% in the same period of the previous year.

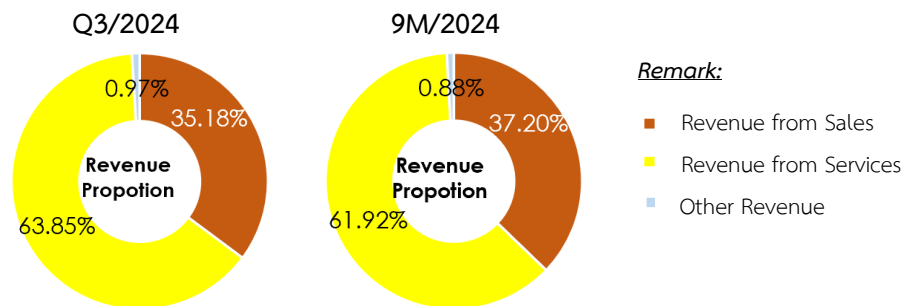
The year-over-year (YoY) revenue decline in 9M/2024 was primarily due to a decrease in project-based sales. In 9M/2024, sales revenue dropped by 106.28 million baht, or 43.76%, compared to the same period last year. In 9M/2023, the Company obtained the projects of comparable scale involving the sale of equipment with installation services. However, in 9M/2024, no similarly high-value projects were secured, largely due to weakened household purchasing power and flooding in Northern Thailand from Q3 through Q4/2024 (August to October 2024). These factors contributed to a slowdown in private sector investment, which constitutes the Company's primary customer base.

Additionally, in 9M/2024, the Company incurred one-time expenses totaling approximately 4 million baht prior to its IPO in Q1/2024 and Q2/2024. Post-IPO, the Company also incurred special expenses related to a one-year financial advisory agreement (from May 2024 to April 2025), bringing total IPO-related one-time expenses for 9M/2024 to approximately 4.4 million baht. Excluding these IPO-related one-time expenses, the Company's net profit would have been close to that of the same period in the previous year.

## 3.2: Revenue

### 3.2.1 Overall Revenue by Business Segment

#### Revenue Proportion of Each Business Segment



#### Revenue Structure by Business Segment

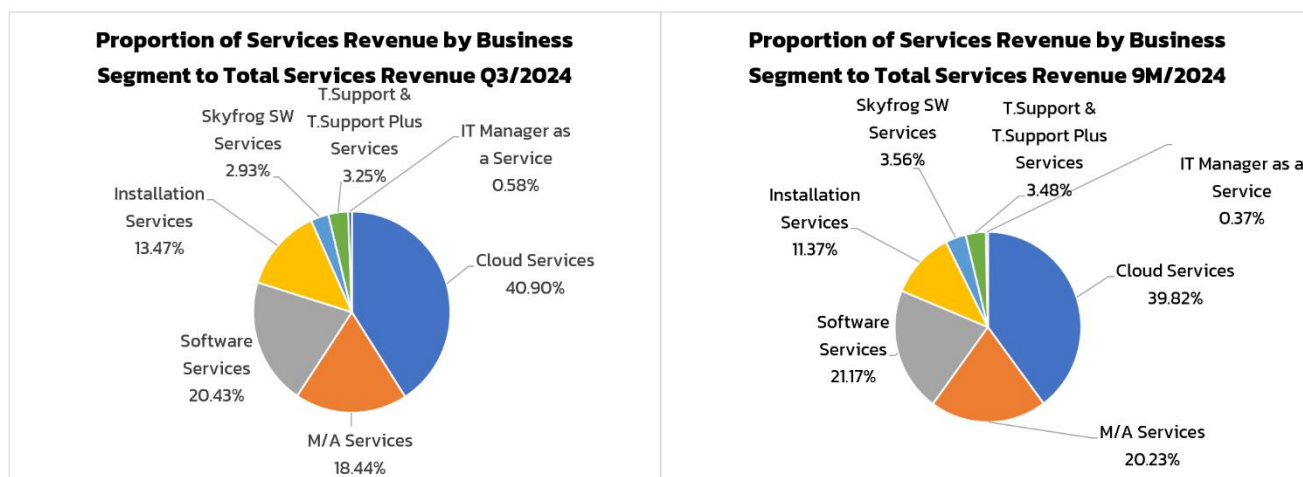
Revenue Structure	Q3/24	Q3/23	Q2/24	Change +/-		9M/24	9M/23	Change +/-
				%YoY	%QoQ			
Revenue from Sales	45.89	101.71	47.34	(54.88%)	(3.08%)	136.58	242.86	(43.76%)
Revenue from Services								
Cloud Services	34.06	26.16	28.69	30.19%	18.72%	90.51	74.56	21.40%
M/A Services	15.36	16.47	14.80	(6.77%)	3.78%	45.99	49.63	(7.33%)
Software Services	17.01	14.80	15.98	14.95%	6.45%	48.12	40.78	18.01%
Installation Services	11.21	20.15	7.03	(44.34%)	59.43%	25.84	37.94	(31.91%)
Skyfrog SW Services	2.44	3.37	2.65	(27.66%)	(7.82%)	8.09	10.22	(20.86%)
T.Support & T.Support Plus Services	2.71	2.46	2.53	10.26%	6.83%	7.91	6.88	15.00%
IT Manager as a Service	0.49	-	0.35	100%	38.57%	0.84	-	100%
Total Revenue From Services	83.27	83.41	72.03	(0.16%)	15.60%	227.30	220.01	3.31%
Total Revenue from Operations	129.16	185.11	119.38	(30.23%)	8.20%	363.88	462.86	(21.39%)

**Remark:**

- There may be minor discrepancies in figures due to rounding and conversion to million baht.

- The revenue from each type of service in the table above represents accounting data collected by the company for data analysis purposes.

The company's financial statements do not break down this information in detail. This has already been clarified in the company's prospectus.



Overall, in Q3/2024, the Company's revenue composition was as follows: service revenue accounted for 63.85%, sales revenue for 35.18%, and other revenue for 0.97% of total revenue. For the nine-month period ending September 30, 2024 (9M/2024), the revenue composition was 61.92% from service revenue, 37.20% from sales revenue, and 0.88% from other revenue.

The details of service revenue, sales revenue, and other revenue for Q3/2024 and 9M/2024 are as follows:

### 1) Revenue from Services

In Q3/2024, the Company's service revenue remained nearly level with the same period last year (YoY), decreasing slightly by 0.13 million baht, or 0.16%, while increasing from the previous quarter (QoQ) by 11.24 million baht, or 15.60%. Key changes in service revenue for Q3/2024 are summarized as follows:

- 1) **Revenue from Cloud services, software services (Software M/A: Maintenance Agreement and SaaS: Software-as-a-Service as a distributor of global IT vendors), and T.Support/T.Support Plus services** (premium IT services offered by the Company) increased YoY by 30.19%, 14.95%, and 10.26%, respectively. This growth was driven by continuous and new client contracts, with rising demand for Cloud services, including Local Cloud (T.Cloud) and Public Cloud, as well as IT systems in the form of SaaS and Software M/A. Additionally, demand for premium IT services (T.Support/T.Support Plus) contributed to this increase. In Q3/2024, the Company also began recognizing revenue from a new service, IT Manager as a Service, amounting to 0.49 million baht.
- 2) **Revenue from system installation services, Hardware M/A services, and Skyfrog software services** declined YoY by 44.34%, 6.77%, and 27.66%, respectively. Revenue from system installation and Hardware M/A services dropped in line with the decrease in project-based sales, impacting one-time system installation and Hardware M/A services. Meanwhile, Skyfrog application revenue declined due to a high-value Skyfrog project completed in the same period last year, with no comparable large-scale Skyfrog project revenue in this quarter.

For the nine-month period ending September 30, 2024 (9M/2024), the Company's service revenue increased YoY by 7.29 million baht, or 3.31%, driven by:

- 1) **Revenue from Cloud services, software services (Software M/A and SaaS), and T.Support/T.Support Plus services** in 9M/2024 increased YoY by 21.40%, 18.01%, and 15.00%, respectively, supported by continuous and new client contracts, increased demand for Cloud services (both T.Cloud and Public Cloud), IT systems in SaaS and Software M/A formats, and demand for premium IT services (T.Support/T.Support Plus). Additionally, in 9M/2024, the Company started recognizing revenue from the newly launched IT Manager as a Service, generating 0.84 million baht in revenue.
- 2) **Revenue from system installation services, Hardware M/A services, and Skyfrog software services** decreased year-over-year (YoY) by 31.91%, 7.33%, and 20.86%, respectively, for the six-month period. The declines in revenue from system installation and Hardware M/A services were in line with the reduction in project-based sales, leading to lower one-time installation and Hardware M/A service revenue. Additionally, revenue from Skyfrog application services decreased because, in the previous year, the Company recognized revenue from major Skyfrog projects, while no comparable large-scale projects revenue was recognized for Skyfrog application services in 9M/2024.

## 2) Revenue from Sales

In Q3/2024, the Company's sales revenue decreased year-over-year (YoY) by 55.82 million baht, or 54.88%. Additionally, service revenue declined slightly from the previous quarter (QoQ) by 1.46 million baht, or 3.08%.

For the nine-month period ending September 30, 2024 (9M/2024), sales revenue decreased YoY by 106.28 million baht, or 43.76%. This decline was primarily due to a high-value project-based contract in Q3/2023, involving the sale of equipment with installation services, which was not matched by a similar high-value projects in 9M/2024.

Sales revenue is inherently project-based, resulting in variability across quarters. The revenue from this category depends on project completion and the timing of revenue recognition within each quarter, which is typical for this business model.

## 3) Other Revenue

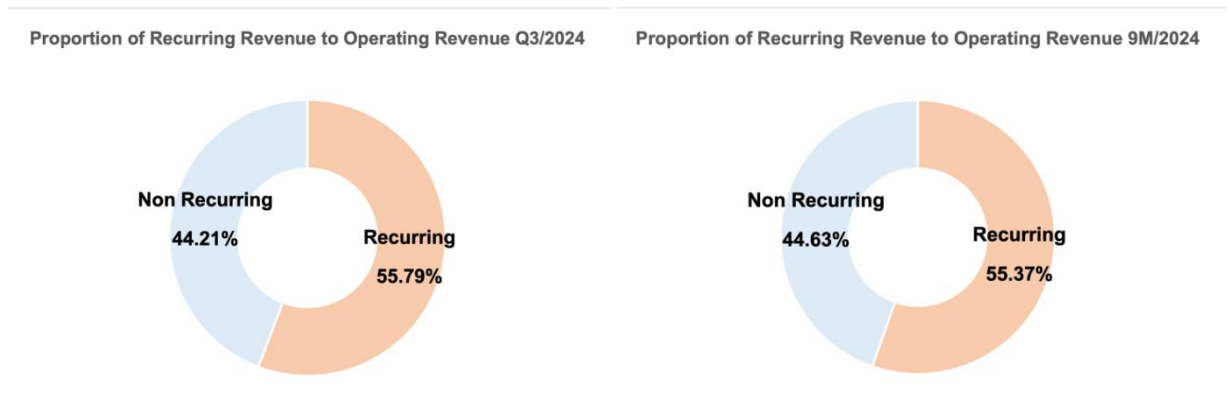
The Company's other revenue includes gains from marking to market the value of investment units, gains from asset disposals, interest revenue, refunded employee provident fund contributions upon employee resignation, and sponsorship funds for marketing events. In Q3/2024, the Company recorded other revenue of 1.27 million baht, a year-over-year (YoY) decrease of 1.09 million baht, or 46.22%, and a quarter-over-quarter (QoQ) decrease of 0.43 million baht, or 25.18%.

For the nine-month period ending September 30, 2024 (9M/2024), the Company's other revenue totaled 3.23 million baht, down by 3.18 million baht, or 49.61%, compared to the same period last year.

**Remark:** Other revenue from non-operating income from the Company's regular business operations, leading to variability across quarters. However, a portion of this revenue is operational, including sponsorships for marketing events from principal vendors and business partners. Although the Company's selling and administrative expenses rose in 9M/2024 due to marketing events aimed at boosting sales and maintaining strong client relationships, these events were partially funded by sponsorships from the Company's principal vendors and key business partners, recorded as other revenue.



#### 4) Summary of the Proportion of Recurring Revenue to Operating Revenue



In Q3/2024, the Company's revenue composition was 55.79% from Recurring Revenue and 44.21% from Non-Recurring Revenue. For the nine-month period ending September 30, 2024 (9M/2024), the composition was 55.37% from Recurring Revenue and 44.63% from Non-Recurring Revenue.

**Remark:** Recurring Revenue consists of various fixed-term service contracts, typically spanning 1-3 years, including T.Cloud services, Public Cloud services, M/A and Subscription services (covering both Hardware and Software), Skyfrog SaaS, T.Support/T.Support Plus, and IT Manager and IT Consultant as a Service

### 3.2.2 Revenue breakdown by the Company and Its Subsidiaries

Unit: Million baht

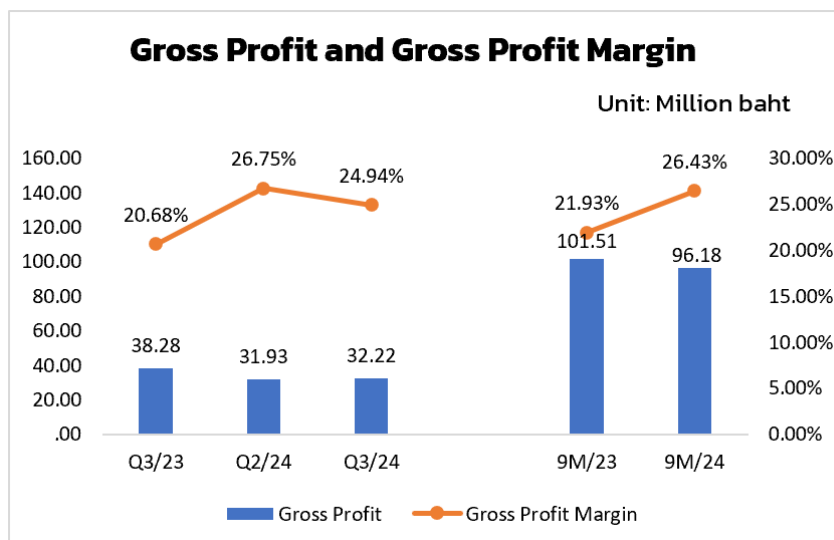
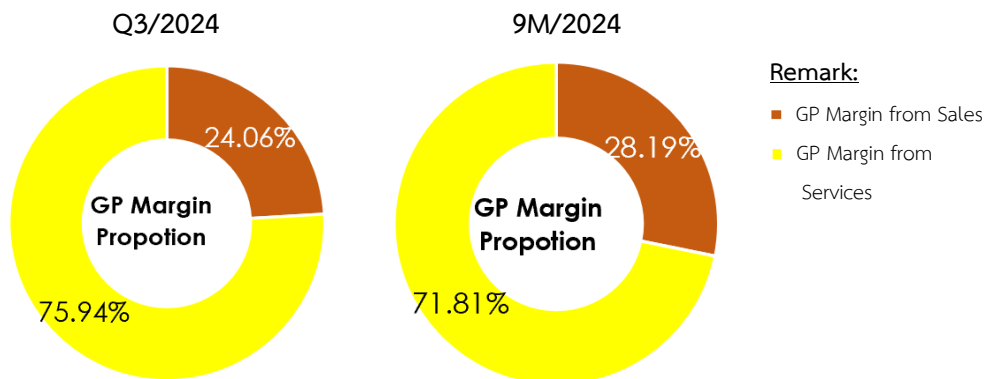
Terabyte Plus PLC.	Q3/24	Q3/23	Q2/24	Change		9M/24	9M/23	Change
				+/-				+/-
				%YoY	%QoQ			%YoY
Revenue from Sales	35.47	85.68	27.57	(58.60%)	28.66%	95.31	207.01	(53.96%)
Revenue from Services	62.93	66.50	54.95	(5.36%)	14.54%	176.50	173.05	2.00%
Revenue from Dividends	-	9.76	-	(100.00%)	-	5.46	13.51	(59.59%)
Other Revenue	2.84	1.50	2.94	88.63%	(3.57%)	7.73	6.22	24.30%
<b>Total Revenue</b>	<b>101.24</b>	<b>163.44</b>	<b>85.46</b>	<b>(38.06%)</b>	<b>18.47%</b>	<b>285.00</b>	<b>399.78</b>	<b>(28.71%)</b>

Cluster Systems Co., Ltd.	Q3/24	Q3/23	Q2/24	Change		9M/24	9M/23	Change
				+/-				+/-
				%YoY	%QoQ			%YoY
Revenue from Sales	10.37	14.17	17.48	(26.82%)	(40.70%)	38.87	32.10	21.08%
Revenue from Services	16.26	10.39	11.77	56.51%	38.17%	37.08	30.81	20.36%
Other Revenue	0.12	1.72	0.12	(93.03%)	-	0.28	3.96	(92.90%)
<b>Total Revenue</b>	<b>26.75</b>	<b>26.28</b>	<b>29.37</b>	<b>1.80%</b>	<b>(8.93%)</b>	<b>76.23</b>	<b>66.87</b>	<b>14.00%</b>

Skyfrog Co., Ltd.	Q3/24	Q3/23	Q2/24	Change		9M/24	9M/23	Change
				+/-				+/-
				%YoY	%QoQ			%YoY
Revenue from Sales	0.05	1.86	2.29	(97.58%)	(98.03%)	2.40	3.75	(35.90%)
Revenue from Services	6.36	8.45	7.51	(24.70%)	(15.29%)	20.40	21.72	(6.10%)
Other Revenue	0.39	0.46	0.43	(17.03%)	(9.62%)	1.03	1.21	(15.11%)
<b>Total Revenue</b>	<b>6.79</b>	<b>10.77</b>	<b>10.23</b>	<b>(36.94%)</b>	<b>(33.58%)</b>	<b>23.83</b>	<b>26.68</b>	<b>(10.69%)</b>

### 3.3: Gross Profit and Gross Profit Margin (%)

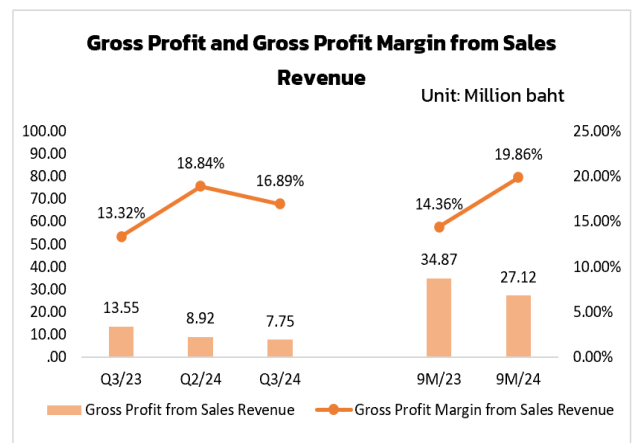
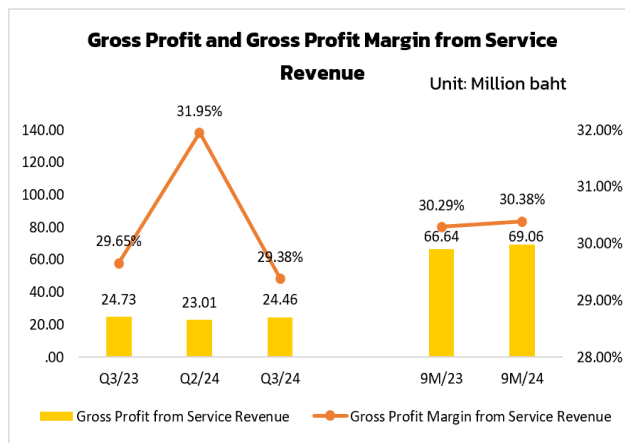
#### Gross Profit Margin Proportion for Each Business Segment



In Q3/2024, the Company reported a gross profit of 32.22 million baht, a decrease of 6.06 million baht, or 15.84%, compared to the same period last year (YoY). However, in terms of gross profit margin, the Company achieved a margin of 24.94% in Q3/2024, up from 20.68% in the previous year. Compared to the prior quarter (QoQ), gross profit decreased slightly by 0.28 million baht, or 0.89%, resulting in a slight decrease in gross profit margin from the previous quarter’s 26.75%. Overall, in Q3/2024, the Company’s gross profit composition was 75.94% from service revenue and 24.06% from sales revenue.

For the nine-month period ending September 30, 2024 (9M/2024), the Company reported a gross profit of 96.18 million baht, a YoY decrease of 5.33 million baht, or 5.25%. This resulted in a gross profit margin of 26.43% for 9M/2024, up from 21.93% in the previous year. Overall, for 9M/2024, the Company’s gross profit composition was 71.81% from service revenue and 28.19% from sales revenue.

The details of gross profit from service revenue and sales revenue in Q3/2024 and 9M/2024 are as follows:



**1) Gross Profit and Gross Profit Margin (%) from Service Revenue**

In Q3/2024, the Company’s gross profit from service revenue amounted to 24.46 million baht, a slight decrease of 0.27 million baht, or 1.08%, compared to the same period last year (YoY). The gross profit margin for service revenue stood at 29.38%, slightly down from 29.65% in the same period of the previous year. However, there was an increase of 1.45 million baht, or 6.31%, compared to the previous quarter (QoQ).

For the nine-month period of 2024, the Company’s gross profit from service revenue was 69.06 million baht, an increase of 2.42 million baht, or 3.64%, compared to the same period last year (YoY). The gross profit margin for service revenue was 30.38%, slightly above the 30.29% margin reported in the previous year.

**2) Gross Profit and Gross Profit Margin (%) from Sales Revenue**

In Q3/2024, the Company’s gross profit from sales revenue was 7.75 million baht, a year-over-year (YoY) decrease of 5.80 million baht, or 42.79%. The gross profit margin for Q3/2024 was 16.89%, higher than the 13.32% margin recorded in the same period last year. However, compared to the previous quarter (QoQ), gross profit decreased by 1.17 million baht, or 13.10%, due to intense competition in certain hardware project-based sales, which led to an overall reduction in the gross profit margin from project-based sales. For the nine-month period ending September 30, 2024 (9M/2024), the Company’s gross profit from sales revenue totaled 27.12 million baht, a YoY decrease of 7.75 million baht, or 22.23%.

The decline in gross profit in both Q3/2024 and 9M/2024 is align with the decrease in project-based sales revenue, which remains variable across quarters. This variability is influenced by the timing of project completions and revenue recognition within each quarter, a typical characteristic of the Company’s business model.

### 3.4: Selling and Administrative Expenses

#### 1) Selling Expenses

Selling expenses primarily consist of key items such as sales staff expenses, travel and accommodation costs, promotional expenses, and other selling expenses like advertising and customer entertainment.

In Q3/2024, the Company's selling expenses decreased by 0.31 million baht, or 3.07%, compared to the same period last year (YoY), and decreased by 1.76 million baht, or 15.30%, from the previous quarter (QoQ).

For the nine-month period of 2024, the Company's selling expenses increased by 0.73 million baht, or 2.34%, compared to the same period last year (YoY). This increase was primarily due to higher employee compensation, salaries, and bonuses following the annual salary adjustment, as well as increased promotional expenses for hosting marketing events aimed at promoting sales and maintaining strong customer relationships.

#### 2) Administrative Expenses

Administrative expenses primarily consist of key items such as salaries, bonuses, director fees, employee-related expenses, travel expenses, and depreciation.

In Q3/2024, the Company's administrative expenses decreased by 1.12 million baht, or 8.09%, compared to the same period last year (YoY), and decreased by 1.87 million baht, or 12.77%, from the previous quarter (QoQ).

For the nine-month period of 2024, the Company's administrative expenses increased by 2.29 million baht, or 5.66%, compared to the same period last year (YoY). This increase was due to higher employee compensation, salaries, and bonuses following the annual salary adjustment. Additionally, there were special expenses related to the Company's listing on the Market for Alternative Investment (mai), including financial advisory fees, public relations (P/R) expenses, and roadshow costs.

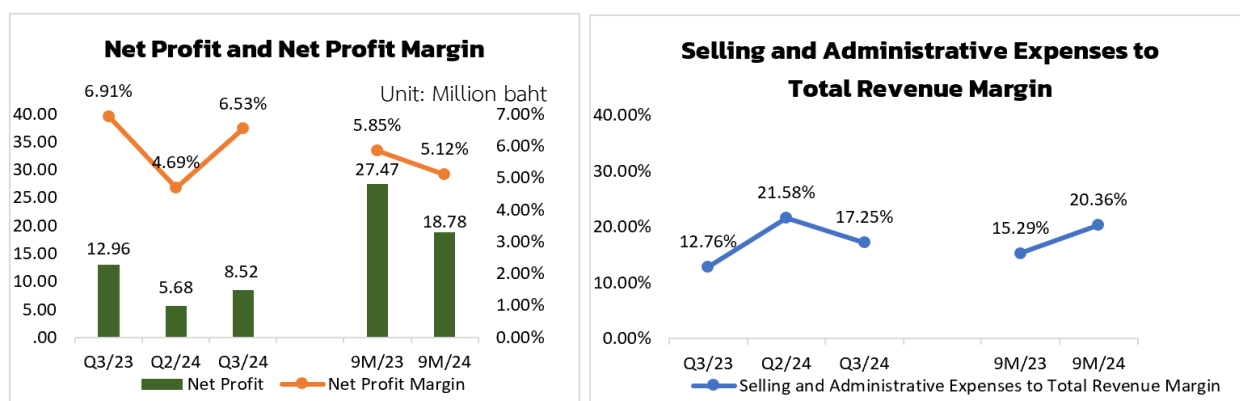
### 3.5: Finance Costs

The Company's finance costs consist of interest expenses on lease liabilities and interest expenses on right-of-use assets, in compliance with Thai Financial Reporting Standard (TFRS) No. 16 on leases.

In Q3/2024, the Company's finance costs increased by 0.04 million baht, or 10.34%, compared to the same period last year (YoY), and rose slightly by 0.04 million baht, or 10.07%, from the previous quarter (QoQ).

For the nine-month period of 2024, the Company's finance costs increased by 0.21 million baht, or 19.92%, compared to the same period last year (YoY).

### 3.6: Net Profit and Net Profit Margin (%)



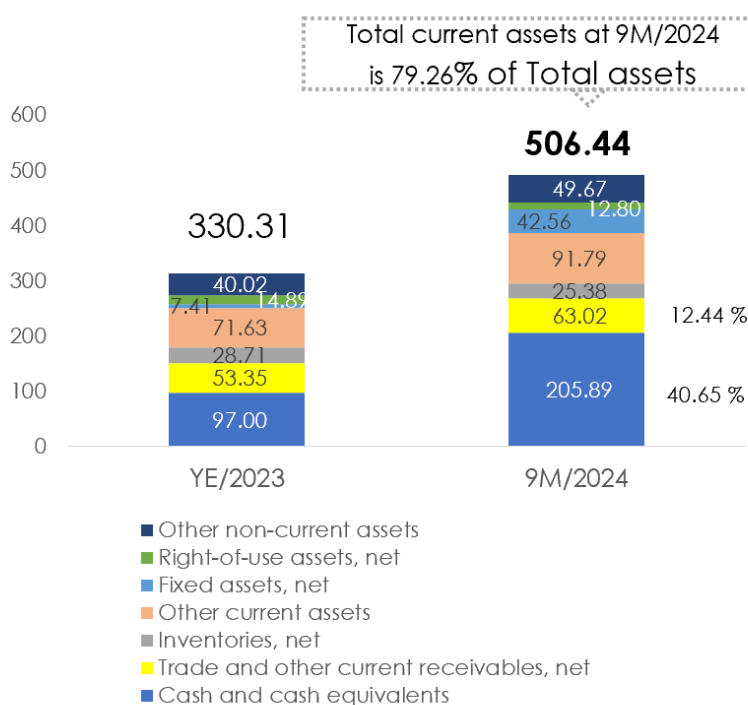
For the net profit and net profit margin for Q3/2024 compared to the same period of the previous year (YoY), compared to the previous quarter (QoQ), and for the 9-month period of 2024 compared to the same period of the previous year (YoY), the summary is as follows:

YoY (Q3/2024 Compared to Q3/2023)	QoQ (Q3/2024 Compared to Q2/2024)	YoY (9M/2024 Compared to 9M/2023)
<p>In Q3/2024, the Company reported a net profit of 8.52 million baht, a decrease of 4.44 million baht, or 34.24% YoY, aligned with a decline in operating revenue. However, selling and administrative expenses decreased compared to the previous year, primarily due to a reduction in employee-related. As a result, the selling and administrative expense ratio to total revenue in Q3/2024 increased to 17.25%, up from 12.76% in the same period last year, leading to a <b>net profit margin</b> of 6.53%, down from 6.91% in Q3/2023.</p>	<p>In Q3/2024, the Company recorded a net profit of 8.52 million baht, an increase of 2.84 million baht, or 50.10% quarter-on-quarter (QoQ), in line with the rise in operating revenue. Additionally, selling and administrative expenses decreased from the previous quarter, mainly due to a reduction in employee-related expenses.</p> <p>In Q2/2024, the Company also incurred special expenses related to its listing on the Market for Alternative Investment (mai), including financial advisory fees and public relations (PR) costs. The selling and administrative expense ratio to total revenue in Q3/2024 was 17.25%, down from 21.58% in the previous quarter. As a result, the <b>net profit margin</b> in Q3/2024 increased to 6.53%, up from 4.69% in Q2/2024.</p>	<p>For the nine-month period ending September 30, 2024 (9M/2024), the Company reported a net profit of 18.78 million baht, a decrease of 8.69 million baht, or 31.63%, compared to the same period last year (YoY). This decline was primarily due to a reduction in operating revenue, largely driven by lower project-based sales. Additionally, the Company experienced an increase in selling and administrative expenses from the previous year, mainly due to higher employee compensation and promotional expenses related to marketing events aimed at boosting sales. In 9M/2024, the Company also incurred one-time expenses totaling approximately 4 million baht prior to the IPO (during Q1 and Q2/2024) and additional post-IPO expenses of around 4.4 million baht related to a financial advisory agreement, which is set to cover a period from May 2024 to April 2025. Excluding these IPO-related one-time expenses, the Company's net profit would have been closer to that of the same period last year.</p> <p>The ratio of selling and administrative expenses to total revenue in 9M/2024 was 20.36%, up from 15.29% in the previous year, resulting in a <b>net profit margin</b> of 5.12%, down from 5.85% YoY.</p>

## Part 4: Summary of Balance Sheet and Cash Flow as of The End of Q3/2024

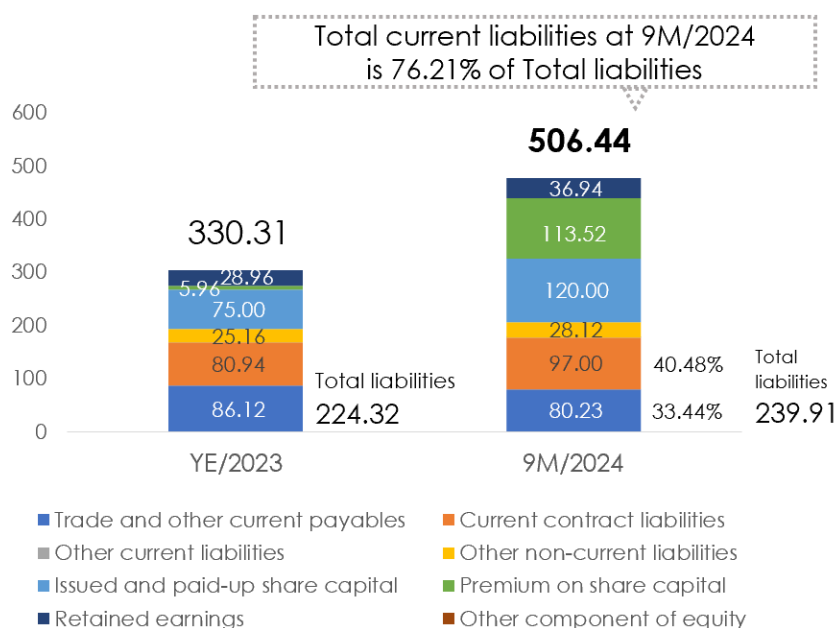
### Assets

Unit: Million Baht



### Liabilities and Equity

Unit: Million Baht



## 4.1: Assets

As of September 30, 2024, the Company's total assets amounted to 506.44 million baht, an increase of 176.13 million baht, or 53.32%, from December 31, 2023. This growth was primarily driven by an increase in current assets. The majority of the Company's assets as of September 30, 2024, were current assets, totaling 401.41 million baht, or 79.26% of total assets. Key changes in asset components include:

- Cash and Cash Equivalents: Valued at 205.89 million baht, an increase of 108.89 million baht, primarily from capital raised through the initial public offering (IPO).
- Trade Receivables and Other Current Receivables (Net): Valued at 63.02 million baht, an increase of 9.67 million baht, in line with the growth in revenue from Cloud services, software services, T.Support/T.Support Plus services, and new services (IT Manager as a Service and IT Consultant as a Service).

## 4.2: Liabilities

As of September 30, 2024, the Company's total liabilities amounted to 239.91 million baht, an increase of 15.59 million baht, or 6.95%, from December 31, 2023. This increase was primarily due to a rise in contract-based liabilities. The majority of the Company's liabilities were current liabilities, totaling 182.83 million baht, or 76.21% of total liabilities.

As of September 30, 2024, the Company's interest-bearing debt stood at only 0.26 million baht, representing a mere 0.0011% of total liabilities. Most of the Company's liabilities comprised trade payables and liabilities recorded in accordance with accounting and financial reporting standards, such as current contractual liabilities, lease liabilities, and employee benefit obligations. The significant changes in liabilities are as follows:

- Trade Payables and Other Current Liabilities: Amounted to 80.23 million baht, a decrease of 5.89 million baht, primarily due to repayments made to trade creditors.
- Current Liabilities from Contracts: Totaled 97.11 million baht, an increase of 16.17 million baht, mainly attributed to awaiting revenue recognition for maintenance agreements (M/A) in accordance with the contract timelines.

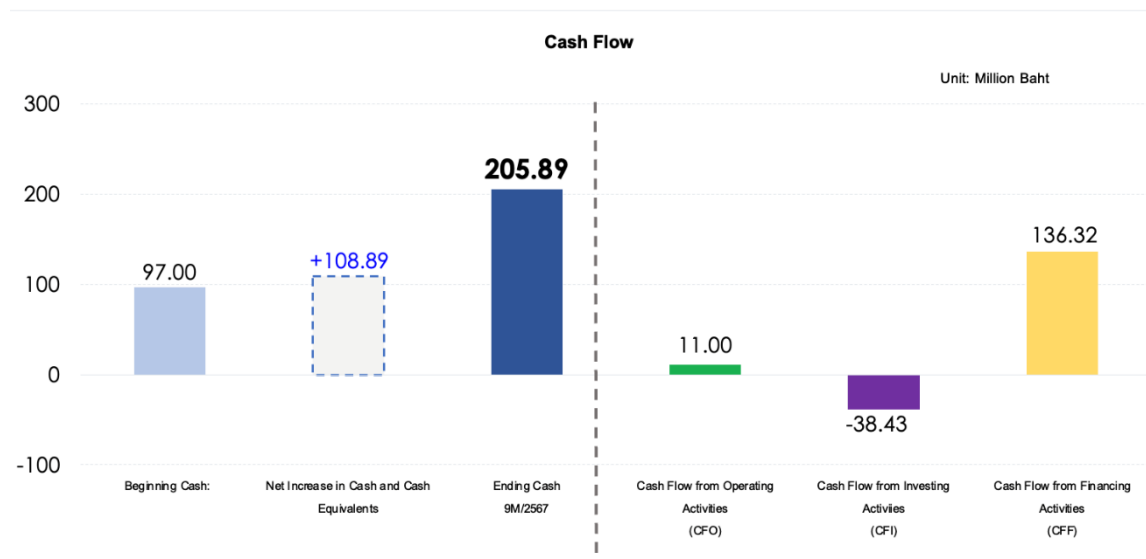
**Remark:** *Interest Bearing Debt* refers to liabilities with an actual interest payment obligation that the company is committed to paying. In this case, it is the debt related to a leasing agreement for HPE GreenLake services (a virtual cloud service), structured as a recurring contract. The company purchases this service to provide recurring services to customers under similar recurring contracts. This interest-bearing debt does not include liabilities recorded in accounting or financial reporting standards that do not involve actual interest payments from the company.

## 4.3: Shareholders' Equity

As of September 30, 2024, the Company's shareholders' equity totaled 266.53 million baht, an increase of 160.54 million baht, or 151.47%, from December 31, 2023. This increase was primarily driven by an increase in paid-up capital of 45 million baht (equivalent to 90 million shares) and a share premium of 107.56 million baht from the initial public offering (IPO) on April 24, 2024.



#### 4.4: Cash Flow

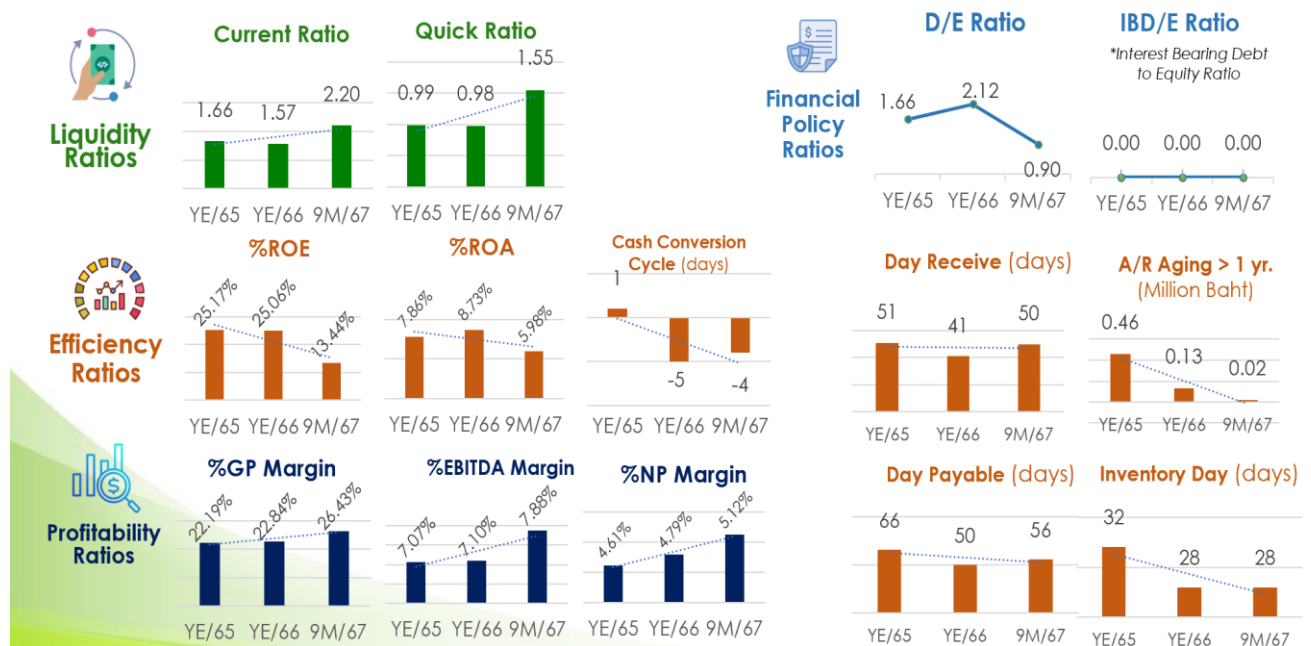


As of September 30, 2024, the Company reported cash and cash equivalents totaling 205.89 million baht, an increase from the opening balance of 97.00 million baht, representing a net rise of 108.89 million baht over the period. This change is detailed as follows:

- Net cash flow from operating activities: +11.00 million baht
- Net cash flow from investing activities: -38.43 million baht\*
- Net cash flow from financing activities: +136.32 million baht

**Remark:** The primary net cash outflow from investing activities resulted from investments in hardware, software, and related services for the T.Cloud Gen3 project, totaling approximately 36.78 million baht.

## Part 5: Summary of Key Financial Ratios as of The End of Q3/2024



## Part 6: Significant Business Plan

The Company prioritizes business growth through both organic and inorganic approaches, including Mergers and Acquisitions (M&A). Key business strategies include:

- 1) **Identify High-Quality, High-Margin Solutions and Services:** The Company focuses on continuously meeting customer IT needs by offering solutions with high gross margins. Emphasis is placed on increasing the share of recurring revenue to stabilize income and gross profit. Examples include new services like IT Manager as a Service and IT Consultant as a Service, offered as outsourced solutions to help clients—especially those preparing for IPOs—enhance their IT internal audit systems.
- 2) **Maintain Strong Customer Relationships:** By engaging with customers regularly and organizing periodic marketing events to introduce useful solutions, the Company aims to foster sales opportunities and maintain solid customer relationships.
- 3) **Participate in Government and State Enterprise Projects:** To offset revenue declines from the private sector, which is experiencing reduced investments due to weakened consumer purchasing power, economic challenges, high household debt, drought from the El Niño phenomenon (from early 2024 to May 2024), and northern floods (August to October 2024). These factors have impacted agricultural prices and output, affecting the majority of consumers and slowing private investment, which constitutes the Company's main client base. The Company anticipates recognizing revenue from medium-sized government projects in Q4/2024, which will enhance sales and service revenue in the final quarter of 2024.
- 4) **Cost and Expense Management:** The Company carefully manages costs and administrative expenses, particularly the workforce size, in alignment with its revenue.
- 5) **Accelerate the Closing and Delivery of Ongoing Customer Projects:** The Company aims to expedite the finalization and delivery of projects currently under negotiation with customers to improve operational efficiency and meet client needs promptly.
- 6) **Accelerate Investment in the T.Cloud Gen3 Project (an IPO Fund Objective):** The Company has already completed procurement and begun system installation, including virtual testing, with project completion targeted for Q4/2024. Revenue recognition from this project is expected to commence in Q1/2025. This investment has been implemented ahead of the original IPO fund utilization plan.
- 7) **Expedite Identification of Potential IT Companies (an IPO Fund Objective):** The Company is actively conducting due diligence on promising IT companies to pursue M&A opportunities. The Company aims to begin recognizing profit shares from new associates (or consolidate financial statements from new subsidiaries) during 2025–2026. In doing so, the Company will comply with Thai Capital Market Supervisory Board Notification No. 20/2551 regarding significant transactions that qualify as asset acquisitions or disposals, as well as the Stock Exchange of Thailand's regulations on disclosures and practices for listed companies concerning asset acquisition and disposal transactions (B.E. 2547). The Company will calculate the transaction size of any asset acquisitions and disclose relevant information through the SET's information dissemination system in accordance with applicable regulations, ensuring transparency for investors and the public.

## Part 7: Factors That May Significantly Impact Operations, Financial Position, or Future Growth

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The company assesses and manages risks, both external and internal, that may impact its business operations, financial position, and future growth. The company has established measures to mitigate risks by regularly evaluating both external and internal risk factors. As part of this process, the company conducts business risk assessments (Risk Assessment) consistently and reports the summary of the risk assessment results to the Audit Committee and the Board of Directors in every quarter.

However, to avoid excessive length in this document, the company has not summarized all the risk factors reported to the Audit Committee and the Board of Directors. Here, only the key risks with significant impact (Key Risks) are summarized as follows:

### 1) Risk factors related to bad debt from accounts receivable arising from sales of goods and services, and risk factors related to a lack of financial liquidity.

Due to the competitive nature of this business, it is generally necessary to extend credit to customers. At the same time, the company also receives adequate trade credit from suppliers for purchasing goods. However, if customers delay payments or are unable to settle their debts due to financial difficulties, bad debt may arise, which could potentially affect the company's financial liquidity.

#### Risk Mitigation Measures:

- Most of the company's customers are medium to large private companies. The company screens customer quality, has an approval system for appropriate payment terms, and an efficient system for following up on overdue accounts. The company follows a policy of diversifying its customer base across various groups and has a large number of customers, without reliance on any single customer. This significantly reduces the risk of bad debt collection.
- The company has an Internal Control system and Internal Audit process, with strict reviews of the financial status and profitability potential of customers, especially new customers wishing to purchase goods and services from the company. Payment terms are approved by an authorized officer (Chief Financial Officer or CFO) to ensure that appropriate, controlled-risk payment conditions are established for each customer. This system has been in use for nearly 20 years and has proven to be highly effective. Over almost 20 years of operation, the company has experienced only one bad debt case, totaling approximately 400,000 baht, which occurred in 2023. This amount represented only about 0.07% of total revenue for that year, as the customer's business encountered issues and was unable to continue, eventually closing down.
- The company has an efficient system for monitoring and collecting overdue accounts, with regular reporting of overdue accounts to the Audit Committee and the Board of Directors on a quarterly basis. In cases where payments are overdue beyond the stipulated period, the company has established systematic procedures for follow-up and legal action to ensure effective collection of outstanding debts.

- The company has sufficient working capital and cash flow, with a very low Interest-Bearing Debt to Equity Ratio. A daily cash flow tracking system is in place, with management monitoring cash flow status continuously. Additionally, the company has emergency bank overdraft credit lines available with financial institutions. For projects requiring long-term delivery, the company negotiates extended credit terms with suppliers and/or obtains bank loans to cover the period needed to collect payments from customers. As a listed company on the Market for Alternative Investment (mai), the company has additional cash flow from IPO fundraising, ensuring ample working capital, liquidity, and cash flow for efficient operations.
- Overall, the Company is confident that it has effective risk control measures in place to mitigate the risk of bad debt from receivables related to the sale of goods and services. Additionally, the Company is well-equipped to manage and prevent potential liquidity shortages.

**2) Risk of technological changes, which may affect the company's competitive potential in the future.**

Information technology is constantly evolving. If the company is unable to adapt to these changes, it may reduce the company's competitive potential and could negatively impact the company's long-term performance.

***Risk Mitigation Measures:***

- The company continuously monitors technological changes and strives to identify business opportunities, New S-curves, and potential companies for investment. The main objectives of the IPO funds include investing in the T.Cloud Gen3 project and in potential IT-related SME companies, which will enhance the company's competitive potential in the future.
- The company prepares an annual plan, assigns team leads to be responsible for monitoring each task, and holds regular meetings to track the progress of various developments. The company also makes adjustments to the plan as necessary, ensuring it remains appropriate and effective.

## Part 8: Sustainability Development

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The company has always undertaken projects and organized activities that benefit society and stakeholders, operating its business with a commitment to social and environmental responsibility (ESG: Environment, Social, and Governance). In Q3/2024, the company has carried out projects to promote sustainability as follows:

- 1) On July 4, 2024, Skyfrog Co., Ltd. (a subsidiary) awarded one scholarship to an undergraduate student in Computer Science. This scholarship is a continuous one, aimed at supporting students from underprivileged backgrounds, providing them the opportunity to complete their undergraduate studies. The scholarship is tied to an agreement that the recipient must work for the company for a specified number of years after graduation. This initiative helps foster a sustainable workforce with potential, contributing to the company's long-term competitive edge. (This is the second ongoing scholarship program by the company.

*Remark: The company will also be awarding two additional scholarships to undergraduate students in Q4/2024. One will be a continuous scholarship, and the other will be a one-time scholarship.*

- 2) The company has received 11 internship students from various higher education institutions to provide them with the opportunity to gain real work experience in different fields. This project also contributes to the sustainability of the company's workforce and competitive potential in the future, as these interns will receive training through hands-on work. Additionally, the company has the opportunity to select high-potential interns for future employment (the company has been running this program continuously since 2022, and this is the 4th batch of interns).
- 3) The company has launched the '**Send Heart to Umphang**' project to collect donations, including money and essential items (medicines, medical supplies, food, clothing, stationery, and toys) for Umphang Hospital, the Childcare Center of the Umphang Subdistrict Administrative Organization, the NGO Raks Thai Foundation, and children in Umphang District, Tak Province, who are in need of assistance. The donations are scheduled to be delivered in Q4/2024.

Please be informed accordingly,

Sincerely yours

(Mr. Surasit Kiwprasopsak)  
Chief Executive Officer