

No. B8-2021-0103

5 November 2021

Subject Management Discussion and Analysis
For the period ended 30 September 2021

Dear Director and Manager
The Stock Exchange of Thailand

Beryl 8 Plus Public Company Limited and its subsidiaries (“the Group”) would like to summarize the Financial Performance for the period ended 30 September 2021 as below:

Financial Performance	For 3 months		Change		For 9 months		Change	
	Q3'64	Q3'63	Increase (Decrease)		9M '64	9M '63	Increase (Decrease)	
	M THB	M THB	M THB	%	M THB	M THB	M THB	%
Revenues								
Service income	94.43	80.60	13.83	17.15	273.24	242.82	30.43	12.53
Other income	0.63	0.24	0.39	162.50	0.83	0.50	0.34	67.54
Total revenues	95.06	80.84	14.22	17.59	274.07	243.31	30.76	12.64
Expenses								
Cost of services	(45.99)	(42.29)	3.70	8.74	(135.37)	(127.44)	7.92	6.22
Selling expenses	(11.85)	(8.71)	3.14	36.00	(31.72)	(23.96)	7.77	32.42
Administrative expenses	(15.81)	(14.55)	1.27	8.70	(43.60)	(42.31)	1.29	3.04
Expected credit loss of trade receivables and contract assets	(0.13)	(0.75)	(0.62)	(82.49)	(2.24)	(41.07)	(38.83)	(94.55)
Operating profit	21.28	14.54	6.74	46.34	61.14	8.53	52.62	617.23
Financial cost	(0.48)	(0.50)	(0.02)	(3.22)	(1.46)	(1.48)	(0.03)	(1.75)
Profit before income tax	20.79	14.04	6.75	48.09	59.69	7.04	52.65	747.48
Income tax	0.19	0.96	0.77	(80.37)	0.52	8.71	8.19	(94.02)
Profit for the period	20.98	15.00	5.98	39.85	60.21	15.76	44.45	282.16

For Q3/2021, total revenue was Baht 94.43 million, Baht 13.83 million or 17.15% increase from the same period of last year. The net profit was Baht 20.98 million and increased Baht 5.98 million or 39.85% from the same period of last year. The net profit margin was equal to 22.07% or 3.51% increased from the same period of last year from the increase of revenue and the new developed products were starting to be sold in Y2021.

For the nine-month period of Y2021, total revenue was Baht 273.24 million or increased Baht 30.43 million or 12.53% from the same period of last year. The net profit was Baht 60.21 million and increased Baht 44.45 million or 282.16% from the same period of last year. The net profit margin was equal to 21.97% or 15.49% increase from the same period of last year since the Group was impacted from the allowance for expected credit losses from one of the customers who went into the rehabilitation process.

Services Revenue

Revenue by service type	For 3 months		Change		For 9 months		Change	
	Q3'64	Q3'63	Increase (Decrease)		9M '64	9M '63	Increase (Decrease)	
	M THB	M THB	M THB	%	M THB	M THB	M THB	%
1. Strategy and Technology Consulting	50.40	52.27	(1.87)	(3.57)	143.71	151.39	(7.68)	(5.07)
2. Technology Service								
2.1 License and Subscription	27.45	12.94	14.51	112.12	62.87	45.58	17.30	37.95
2.2 Support and Maintenance and Managed Service	16.58	15.40	1.18	7.68	66.66	45.85	20.81	45.39
Total Service Income	94.43	80.60	13.83	17.15	273.24	242.81	30.43	12.53

For Q3/2021 and nine-month period of Y2021, the service revenue was increased Baht 13.83 million and Baht 30.43 million respectively, or 17.15% and 12.53% increased from the same period of last year as below details:

1. Revenue from Strategy and Technology Consulting of Q3/2021 was Baht 50.40 million and Baht 143.71 million for nine-month period of Y2021, slightly decreased due to some customers' slower investment decision from the impact of COVID-19 pandemic.
2. Revenue from License & Subscription of Q3/2101 was Baht 27.45 million and Baht 62.87 million for nine-month period of Y2021. The increase of 112.12% and 37.95% was from the selling of Salesforce, Mulesoft, Google and BE8 Package.
3. Revenue from Support & Maintenance and Managed Service of Q3/2021 was Baht 16.58 million and Baht 66.66 million for nine-month period of Y2021 which was 7.68% and 45.39% increase from the same period of last year. This was mainly from increasing Managed Service which is in trend with the business to utilize resources from service providers instead of permanent employed.

Cost of Services

Cost of Services	For 3 months		Change		For 9 months		Change	
	Q3'64	Q3'63	Increase (Decrease)		9M '64	9M '63	Increase (Decrease)	
	M THB	M THB	M THB	%	M THB	M THB	M THB	%
1. Strategy and Technology Consulting	28.27	28.27	(0.00)	(0.00)	77.72	80.75	(3.03)	(3.75)
2. Technology Service	17.72	14.03	3.69	26.33	57.64	46.69	10.95	23.45
Cost of Services	45.99	42.29	3.69	8.73	135.36	127.44	7.92	6.21

For Q3/2021 and nine-month period, cost of services was Baht 45.99 and Baht 135.36 million or 8.73% and 6.21% respectively, increased from the same period of last year from the revenue growth of Technology Service which is Licenses & Subscriptions and Managed Service.

Gross Profit

Gross Profit	For 3 months		Change		For 9 months		Change	
	Q3'64	Q3'63	Increase (Decrease)		9M '64	9M '63	Increase (Decrease)	
	M THB	M THB	M THB	%	M THB	M THB	M THB	%
1. Strategy and Technology Consulting	22.13	24.00	(1.87)	(7.77)	65.98	70.64	(4.65)	(6.59)
2. Technology Service	26.31	14.31	12.00	83.84	71.89	44.73	27.16	60.71
Gross Profit	48.44	38.31	10.13	26.45	137.88	115.37	22.51	19.51

For Q3/2021 and the nine-month period, Gross profit was Baht 48.44 and Baht 137.88 million, 26.45% and 19.51% respectively increased from the same period of last year. For the nine-month period, the gross profit margin was increased from 47.51% to 50.46% mainly from the increasing of Technology Service and increasing of selling Licenses and Subscriptions of BE8 products which has lower cost of product.

Selling Expenses

For Q3/2021 and the nine-month period of Y2021, the selling expenses of the Group was Baht 11.85 million and Baht 31.72 million or 36.00% and 32.42% respectively, increased from the same period of last year. This is due to the increase in the number of employees from the Growth and Solution Sales Department to support the increasing number of customers.

Administrative Expenses

For Q3/2021 and the nine-month period of Y2021, the administrative expenses amounted to Baht 15.81 million and Baht 43.60 million or 8.70% and 3.04% respectively, increased from the same period of last year. The administrative expenses slightly increased because of the increase in IPO related expenses.

Expected credit loss of trade receivables

For Q3/2021 and the nine-month period of Y2021, the Group has recorded the expected credit loss of trade receivable of Baht 0.13 million from the impact of exchange rate of the receivables and Baht 2.24 million from the long time overdue debt.

Net Profit

For Q3/2021 and the nine-month period of Y2021, net profit after tax of the Group amounted to Baht 20.98 and Baht 60.21 million. The net profit margin was 22.07% and 21.97% of the total revenue slightly increased from the operation and selling of BE8 packages which were developed by employees.

Statement of Financial Position

Statement of financial position	30 September	31 December	Changes	
	2564	2563	+/-	
	M THB	M THB	M THB	%
ASSETS				
Current Assets				
Cash and cash equivalents	6.05	5.93	0.11	1.92
Investment in fixed income fund	51.05	119.40	(68.36)	(57.25)
Restricted bank deposit	0.00	2.39	(2.39)	(100.00)
Trade and other receivables	63.75	17.71	46.04	259.99
Contracts assets	76.10	51.17	24.93	48.72
Advance payments for services	21.24	14.91	6.33	42.45
Other current assets	3.16	1.51	1.65	109.42
Total current assets	221.34	213.01	8.32	3.91
Non-current assets				
Restricted bank deposit	16.00	0.00	16.00	0.00
Leasehold improvement and equipment	13.98	16.07	(2.09)	(12.99)
Intangible assets	6.51	0.07	6.43	8,694.59
Deferred tax assets	13.46	12.15	1.32	10.82
Right-of-use assets	35.03	36.31	(1.29)	(3.54)
Other non-current assets	1.62	1.45	0.18	12.31
Total non-current assets	86.60	66.05	20.55	31.11
Total assets	307.94	279.06	28.88	10.35

Statement of financial position	30 September	31 December	Changes	
	2564	2563	+/-	
	M THB	M THB	M THB	%
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	94.20	105.23	(11.04)	(10.49)
Current portion of lease liabilities	3.49	3.02	0.47	15.57
Contracts liabilities	30.99	31.87	(0.87)	(2.73)
Income tax payables	0.79	0.04	0.76	1,989.47
Other current liabilities	9.94	6.85	3.09	45.04
Total current liabilities	139.41	147.00	(7.60)	(5.17)
Lease liabilities, net of current portion	31.93	33.02	(1.09)	(3.31)
Provision for long-term employee benefits	21.51	17.56	3.95	22.49
Other non-current liabilities	2.28	3.42	(1.15)	(33.50)
Total non-current liabilities	55.71	54.00	1.71	3.17
Total liabilities	195.12	201.00	(5.89)	(2.93)
Issued and fully paid up capital	75.00	34.66	40.35	116.42
Share premium	27.07	27.07	0.00	0.00
Appropriated-statutory reserve	3.37	3.37	0.00	0.00
Unappropriated	7.19	12.98	(5.79)	(44.62)
Other components of shareholders' equity	0.20	(0.01)	0.21	(1,881.82)
Total shareholders' equity	112.82	78.06	34.76	44.53
Total liabilities and shareholders' equity	307.94	279.06	28.88	10.35

Total Assets

As of 30 September 2021 and 31 December 2020, total assets of the Group amounted to Baht 307.94 million, and Baht 279.06 million, respectively. Total assets increased by Baht 28.88 million from the increasing of Trade and other receivables of Baht 46.04 million, Contract assets of Baht 24.93 million and Advance payment for services of Baht 6.33 million from revenue increased. The decreasing investment in the fixed income fund amounted to Baht 68.36 million to pay dividend of Baht 72.70 million in January 2021 and to deposit Baht 16.00 million to be as collateral to the loan agreement in replacement of the collateral of director's land title deed.

Details of trade and other receivables as follows:

Trade and Other Receivables	30 September	31 December
	2021	2020
	M THB	M THB
Trade receivables - related parties	1.20	0.01
Trade receivables - unrelated parties	105.81	58.74
Total trade receivables	107.02	58.75
Allowance for expected credit losses	(43.27)	(41.19)
Total trade receivables - net	63.74	17.56
Total trade and other receivables - net	63.75	17.71

Trade and Other Receivables by Age	30 September	31 December
	2021	2020
	M THB	M THB
Not yet due	36.17	13.04
Past due		
Up to 3 months	19.64	19.32
3 - 6 months	7.94	10.03
6 - 12 months	17.38	15.79
Over 12 months	25.89	0.57
Total trade receivables	107.02	58.75
Allowance for expected credit losses	(43.27)	(41.19)
Total trade and other receivables - net	63.74	17.56

Total Liabilities

As of 30 September 2021 and 31 December 2020, total liabilities of the Group Baht 195.12 million and Baht 201.00 million, respectively. Total liabilities decreased by Baht 5.89 million from the decreasing of Trade and other payables at Baht 11.04 million and the increase in provision for long-term employee benefits of Baht 3.95 million. The detail of trade and other payables as below:

Trade and Other Payables	30 September	31 December
	2021	2020
	M THB	M THB
Trade payables - unrelated parties	4.20	3.18
Trade payables - related parties	0.02	0.16
Other payables - unrelated parties	2.89	2.42
Dividend payables	66.00	72.70
Accrued expenses	21.09	26.77
Total trade and other payables	94.20	105.23

Equities

As of 30 September 2021 and 31 December 2020, the shareholders equity was Baht 112.82 million and Baht 78.06 million, respectively. Shareholders' equity increased Baht 34.76 million or 44.53% from the increase of the paid-up capital of Baht 40.34 million in June 2021, the net profit Baht 60.21 million and interim dividend payment of Baht 66.00 million.

Key Financial Ratios

Financial Ratios	30 September	31 December
	2021	2020
Liquidity ratio (times)	1.59	1.45
Quick ratio (times)	0.87	0.99
Average collection period (days)	87.19	50.12
Average payment period (days)	7.68	8.60
Cash cycle (days)	79.51	41.52
Debt to equity ratio (times)	1.73	2.57
Interest coverage ratio (times)	8.53	34.91
Debt service coverage ratio (times)	23.37	5.49

- Current ratio

As of 30 September 2021 and 31 December 2020, the current ratio was 1.59 and 1.45, respectively and slightly increased from Y2020. The Group is considered to have liquidity to service short-term debt.

- Cash cycle

As of 30 September 2021 and 31 December 2020, the cash cycle was 79.51 day and 41.52 days, respectively. Cash cycle was 37.99 days increased from the increase of the average collection period 37.07 days because some customers were impacted from the COVID-19 pandemic request for extension of payment period. The average payment period was 7.68 days due to the majority of the cost and expenses were employees salaries and related expenses which have no credit term. Normally the Group received 30 - 45 days of credit term from suppliers.

- Debt to equity ratio

As of 30 September 2021 and 31 December 2020, the debt to equity ratio was 1.73 and 2.57, respectively. The slight decrease of the debt to equity ratio was from the increasing of operating profit of Y2021 and accrued interim dividend in December 2020 which was approved by the company's Board of Directors.

Yours sincerely,
On behalf of Berly 8 Plus Public Company Limited

Mr. Apisek Tewinpagti
Chief Executive Officer