

MMS-AC65/004

February 23, 2022

Subject Management discussion and analysis of the operating results for 2021

To The President of the Stock Exchange of Thailand

For the 2021 operating performance which was already audited by the authorized auditor, Matching Maximize Solution Public Company Limited (“the Company”) marked a net loss in the consolidated financial statement for the part of the parent company at the amount of 16.47 million baht, representing a smaller loss of 153.38 million baht, equivalent to a decrease in the loss by 90.30% versus a net loss of 169.85 million baht reported for 2020. The details are discussed below:

(Million Baht)

Loss and profit statement	2021	2020	Change	
	Amount	Amount	Amount	%
Revenue from TV content business	25.33	39.61	(14.28)	-36.05%
Rental and service revenue	322.38	207.69	114.69	55.22%
Sale revenue	3.13	2.44	0.70	28.28%
Total revenue	350.84	249.74	101.10	40.48%
Total cost	254.84	264.79	(9.95)	-3.76%
Gross profit	96.00	(15.06)	111.05	737.87%
SG&A expenses	103.24	171.78	(68.54)	-39.90%
Financial expenses	11.25	10.57	0.68	6.43%
Total expenses	114.49	182.35	(67.86)	-37.21%
Profit (loss) before revenue and other expenses	(18.49)	(197.40)	178.91	90.63%
Other revenue	3.83	4.85	(1.02)	-21.03%
Profit (loss) before tax	(14.66)	(192.55)	177.89	92.39%
Corporate income tax	(1.81)	22.70	(24.51)	-107.97%
Net profit (loss)	(16.47)	(169.85)	153.38	90.30%

The total revenue in 2021 marked at 350.84 million baht, up by 101.10 million baht or an increase of 40.48% on a year-on-year basis vs. the revenue of 249.74 million baht reported for 2020.

The revenue from the TV content business in 2021 stood at 25.33 million baht, down by 14.28 million baht or a fall of 36.05% on a year-on-year basis vs. 39.61 million baht reported in 2020. The decline in revenue from this business segment was due to the fact that the clients decided to postpone their ad spending amid the ongoing COVID-19 pandemic. The situation thus prompted the Company to analyze and adjust the management plan to mitigate the impacts by adjusting the cost management plan to match the declining revenue.

The rental and service revenue in 2021 amounted to 322.38 million baht, increasing by 114.69 million baht or up by 55.22 % on a year-on-year basis from the revenue of 207.69 million baht reported in 2020. The increase was driven by to the activities to boost sales.

The 2021 gross profit increased by 111.05 million baht or jumping by 737.87% YoY to 96.00 million baht vs. the loss of 15.06 million baht in 2020. This improvement in the gross profit was made possible by the boost of sales from the rental service business, as well as appropriate cost control to match the ongoing situation.

The SG&A expenses in 2021 marked at 103.24 million baht, down by 68.54 million baht or 39.90% YoY following the business restructuring in 2020 to match the COVID-19 pandemic situation during the year. As a consequence of the business restructuring during the year, the SG&A expenses fell accordingly in 2021.

The financial expenses in 2021 stood at 11.25 million baht, up by 0.68 million baht or 6.43% from the amount reported for the same period of 2020. The increase was due to the rise in the long-term loan from a financial institution during the period.

The corporate income tax in 2021 marked at 1.81 million baht, improving by 24.51 million baht or 107.97% on a year- on- year basis. This was because the Company booked the deferred tax assets for the tax loss in 2020. In addition, the Company set aside the loan loss provision, based on the simplified approach in compliance with the Thai Financial Reporting Standard (TFRS) 9: Financial Instruments for realization of the impairment of account receivables, based on the credit loss projection throughout the life of such assets, starting on the first date of the realization of such account receivables.

Financial Position

As of December 31, 2021:

- The assets totaled 1,612.49 million baht. The key assets consisted of cash and cash equivalent at 68.08 million baht, the account receivables and other receivables at 77.15 million baht, the inventory at 10.98 million baht, the withholding income tax at 20.19 million baht, the land, plant and equipment at 1,184.62 million baht, the assets for lease at 204.62 million baht, and the deferred tax assets at 32.18 million baht. The total assets declined by 8.20 million baht or a drop of 0.51% compared to the amount reported as of December 31, 2020 due to the asset depreciation and the receipt of withholding tax refund.
- The total liabilities amounted to 290.38 million baht, up by 8.26 million baht or 2.93% from the figure reported as of December 31, 2020. The key liabilities consisted of account payables and other account payables at 46.23 million baht, the current portion of long-term loan from the financial institution at 36.05 million baht, the long-term loan of the financial institution at 169.79 million baht, the lease liabilities at 7.92 million baht and the employee benefit obligations at 17.35 million baht due to the account payables and the usual increase in employee benefit obligations.
- The shareholders' equities marked at 1,322.11 million baht, down by 16.46 million baht or a drop of 1.23 % from the figure seen as of December 31, 2020. The D/E ratio stood at 0.22 times and the current ratio was 1.86x.

Cash flow

For the 2021 operating performance, the Company's net cash flow received from operating activities amounted to 94.37 million baht and the net cash flow used for investment activities amounted to 29.01 million baht – mostly for purchase of assets for leases. Meanwhile, the net cash flow used for funding activities amounted to 19.68 million baht – mostly for loan repayment to the banks. The overall net cash flow increased by 45.68 million baht. Therefore, the Company's remaining cash flow at the end of the period amounted to 68.08 million baht.

Sincerely yours,

Matching Maximize Solution Public Company Limited

(Mr. Chayanont Ulit)

Chief Executive Office