

No. B8-2022-0015

24 February 2022

Subject Management Discussion and Analysis
For the period ended 31 December 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 31 December 2021 as below:

Financial Performance	FY2021	FY2020	Change	
	M THB	M THB	M THB	%
Revenues				
Service income	376.96	311.79	65.17	20.90
Other income	2.14	0.76	1.38	181.58
Total revenues	379.10	312.55	66.55	21.29
Expenses				
Cost of services	(191.52)	(164.89)	(26.63)	(16.15)
Selling expenses	(44.12)	(31.89)	(12.23)	(38.35)
Administrative expenses	(57.12)	(57.86)	0.74	1.28
Expected credit loss of trade receivables and contract assets	(2.20)	(41.33)	39.13	94.68
Operating profit	84.14	16.58	67.56	407.48
Financial cost	(1.94)	(1.98)	0.04	2.02
Profit before income tax	82.20	14.60	67.60	463.01
Income tax	(0.06)	9.04	(9.10)	100.66
Profit for the period	82.14	23.64	58.50	247.46

Total revenue of Y2021 was Baht 376.96 million, Baht 65.17 million or 20.90% increase from last year. The net profit was Baht 82.14 million and increased Baht 58.50 million or 247.46% from last year. The net profit margin was equal to 21.67% or 14.11% increase from last year from the increase in revenue and 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	FY2021	FY2020	Change	
	M THB	M THB	M THB	%
1. Strategy and Technology Consulting	201.10	191.44	9.66	5.05
2. Technology Service				
2.1 License and Subscription	90.81	58.80	32.01	54.44
2.2 Support and Maintenance and Managed Service	85.05	61.55	23.50	38.18
Total Service Income	376.96	311.79	65.17	20.90

The service revenue of Y2021 was Baht 376.96 million, 65.17 or 20.90% increased from last year as below details:

1. Revenue from Strategy and Technology Consulting of Y2021 was Baht 201.10 million, slightly increased from last year.
2. Revenue from License & Subscription of Y2021 was Baht 90.81 million. The increase of 54.44% was from the selling of Salesforce, Mulesoft, Google and BE8 Package.
3. Revenue from Support & Maintenance and Managed Service of Y2021 was Baht 85.05 million which was 38.18% increase last year. This was mainly from increasing Managed Service which is in line with the business trend to outsource resources instead of permanent employed.

Cost of Services

Cost of Service	FY2021	FY2020	Change	
	M THB	M THB	M THB	%
1. Strategy and Technology Consulting	105.90	104.72	1.18	1.13
2. Technology Service	85.62	60.17	25.45	42.30
Cost of Services	191.52	164.89	26.63	16.15

Cost of services of Y2021 was Baht 191.52 million or 16.15% increased from last year from the revenue growth of Technology Service which is Licenses & Subscriptions and Managed Service.

Gross Profit

Gross Profit	FY2021	FY2020	Change	
	M THB	M THB	M THB	%
1. Strategy and Technology Consulting	95.20	86.72	8.48	9.78
2. Technology Service	90.24	60.18	30.06	49.95
Gross Profit	185.44	146.90	38.54	26.24

Gross profit of Y2021 was Baht 185.44 million, 26.24% increase from last year whereas the gross profit margin was increased from 47.12% to 49.19% 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 Y2021, the selling expenses of the Group was Baht 44.12 million, Baht 12.23 million or 38.35% increased from 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 Y2021, the administrative expenses amounted to Baht 57.12 million and slightly decreased from last year. The administrative expenses slightly decreased because of spending control. Although, there are the expenses of IPO during the year.

Expected credit loss of trade receivables

For Y2021, the Group has recorded the expected credit loss of trade receivable of Baht 2.20 million from the long time overdue debt.

Net Profit

For Y2021 net profit after tax of the Group amounted to Baht 82.14 million. The net profit margin was 21.67% of the total revenue, which was an increase of Baht 58.50 million from last year. This is because of revenue growth and the sale of the BE8 Product.

Statement of Financial Position

Statement of financial position	FY2021	FY2020	Change	
	M THB	M THB	M THB	%
ASSETS				
Current Assets				
Cash and cash equivalents	301.35	5.93	295.42	4,981.79
Investment in fixed income fund	200.64	119.40	81.24	68.04
Restricted bank deposit	0.00	2.39	(2.39)	(100.00)
Trade and other receivables	74.94	17.71	57.23	323.15
Contracts assets	61.68	51.17	10.51	20.54
Advance payments for services	22.52	14.91	7.61	51.04
Other current assets	2.58	1.50	1.08	72.00
Total current assets	663.71	213.01	450.70	211.59

Statement of financial position	FY2021	FY2020	Change	
	M THB	M THB	M THB	%
Non-current assets				
Restricted bank deposit	26.20	0.00	26.20	0.00
Leasehold improvement and equipment	13.12	16.07	(2.95)	(18.36)
Intangible assets	8.58	0.07	8.51	12,157.14
Deferred tax assets	13.51	12.15	1.36	11.19
Right-of-use assets	34.83	36.31	(1.48)	(4.08)
Other non-current assets	1.51	1.45	0.06	4.14
Total non-current assets	97.75	66.05	31.70	47.99
Total assets	761.46	279.06	482.40	172.87
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	32.33	105.23	(72.90)	(69.28)
Current portion of lease liabilities	3.74	3.02	0.72	23.84
Contracts liabilities	35.44	31.86	3.58	11.24
Income tax payables	1.42	0.04	1.38	3,450.00
Other current liabilities	12.82	6.85	5.97	87.15
Total current liabilities	85.75	147.00	(61.25)	(41.67)
Lease liabilities, net of current portion	31.69	33.02	(1.33)	(4.03)
Provision for long-term employee benefits	22.83	17.56	5.27	30.01
Other non-current liabilities	2.29	3.42	(1.13)	(33.04)
Total non-current liabilities	56.81	54.00	2.81	5.20
Total liabilities	142.56	201.00	(58.44)	(29.07)
Issued and fully paid up capital	100.00	34.66	65.34	188.52
Share premium	486.25	27.07	459.18	1,696.27
Appropriated-statutory reserve	7.61	3.36	4.25	126.49
Unappropriated	24.87	12.98	11.89	91.60
Other components of shareholders' equity	0.17	(0.01)	0.18	(1,800.00)
Total shareholders' equity	618.90	78.06	540.84	692.85
Total liabilities and shareholders' equity	761.46	279.06	482.40	172.87

Total Assets

As of 31 December 2021, total assets of the Group amounted to Baht 761.46 million. Total assets increased by Baht 482.40 million from the increasing of Cash and Cash Equivalent from the proceed of IPO Baht 485 million, Trade and other receivables of Baht 57.23 million, Contract assets of Baht 10.51 million and Advance payment for services of Baht 7.61 million from revenue increased. The increase of the deposit Baht 26.20 million to be as collateral to the loan agreement. The intangible assets of the group companies increased by Baht 8.51 million from the development of the BE8 product.

Details of trade and other receivables as follows:

Trade and Other Receivables	FY2021	FY2020
	M THB	M THB
Trade receivables - related parties	0.07	0.01
Trade receivables - unrelated parties	108.51	58.74
Total trade receivables	108.58	58.75
Allowance for expected credit losses	(43.23)	(41.19)
Total trade receivables - net	65.35	17.56
Total trade and other receivables - net	74.94	17.71

Trade Receivables by Age	31 December	31 December
	2021	2020
Not yet due	41.18	13.04
Past due		
Up to 3 months	23.18	19.32
3 - 6 months	0.79	10.03
6 - 12 months	0.34	15.79
Over 12 months	43.10	0.57
Total trade receivables	108.59	58.75
Allowance for expected credit losses	(43.24)	(41.19)
Total trade receivables - net	65.35	17.56

Total Liabilities

As of 31 December 2021, total liabilities of the Group Baht 142.56 million. Total liabilities decreased by Baht 58.44 million from the decreasing of dividend payable at Baht 72.70 million and the increase in provision for long-term employee benefits of Baht 5.27 million. The detail of trade and other payables as below:

Trade and Other Payables	31 December	31 December
	2021	2020
Trade payables - unrelated parties	2.65	3.18
Trade payables - related parties	0.02	0.16
Other payables - unrelated parties	2.92	2.42
Dividend payables	0.00	72.70
Accrued expenses	26.74	26.77
Total trade and other payables	32.33	105.23

Equities

As of 31 December 2021, the shareholders equity was Baht 618.90 million, an increase of Baht 540.83 million or 692.75% from the increase of the paid-up capital of Baht 40.34 million in June 2021, Baht 25.00 million in October 2021 with share premium of Baht 495.18 million. The net profit of Y2021 at Baht 82.14 million and making interim dividend payment of Baht 66.00 million.

Key Financial Ratios

Financial Ratios	31 December	31 December
	2021	2020
Liquidity ratio (times)	7.74	1.45
Quick ratio (times)	6.73	0.99
Average collection period (days)	81.01	50.82
Average payment period (days)	5.56	8.72
Cash cycle (days)	75.46	42.10
Debt to equity ratio (times)	0.23	2.57
Interest coverage ratio (times)	43.37	8.37
Debt service coverage ratio (times)	22.50	5.49

- Current ratio

As of 31 December 2021, the current ratio was 7.74 which is very high liquidity from the proceeds from IPO at Baht 485.00 million.

- Cash cycle

As of 31 December 2021, the cash cycle was 75.46 day which was 33.36 days increased from the increase of the average collection period of 30.19 days because some customers were impacted from

the COVID-19 pandemic request for extension of payment period. The average payment period was 5.56 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 31 December 2021, the debt to equity ratio was 0.23, decreasing from the increase of the paid-up capital and share premium and increasing of operating profit of Y2021.

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

Mr. Apisek Tewinpagti
Chief Executive Officer