

MMS-AC65/010

May 11, 2022

Subject: Management discussion and analysis of three-month operating result ending on March 31, 2022

To: The President of the Stock Exchange of Thailand

Matching Maximize Solution Public Company Limited (the Company) would like to report the three-month operating results ending on March 31, 2022, which were reviewed by a certified public accountant. In the consolidated financial statement for the period, the parent company booked a net loss of 11.36 million baht, representing a smaller net loss by 8.79 million baht or 43.62% on a year-on-year basis compared to the net loss of 20.15 million baht reported for 1Q21. The details are as follows.

(Million Baht)

Profit and loss statement	1Q22	1Q21	Changes	
	Amount	Amount	Amount	%
Revenue TV content business	7.24	6.29	0.95	15.10%
Rental and service revenue	82.87	64.64	18.23	28.20%
Sales revenue	0.94	0.83	0.11	13.25%
Total revenue	91.05	71.76	19.29	26.88%
Total cost	73.52	67.88	5.64	8.31%
Gross profit margin	17.53	3.88	13.65	351.80%
SG&A expenses	26.43	23.30	3.13	13.43%
Financial expenses	2.48	2.91	(0.43)	-14.78%
Total expenses	28.91	26.21	2.70	10.30%
Profit (loss) before revenue and other expenses	(11.38)	(22.33)	10.95	49.04%
Other revenue	0.19	0.10	0.09	90.00%
Before tax profit (loss)	(11.19)	(22.23)	11.04	-49.66%
Corporate income tax	(0.17)	2.08	(2.25)	-108.17%
Net profit (loss)	(11.36)	(20.15)	8.79	-43.62%

In the first quarter of 2022, the Company marked the revenue at 91.05 million baht, up 19.29 million baht or 26.88% on a year-on-year basis versus the revenue of 71.76 million baht reported in 1Q21. The factors contributing to the gain in the revenue are discussed below.

The revenue from TV content business in 1Q22 increased by 0.95 million baht or 15.10 YoY to 7.24 million baht versus the revenue of 6.29 million baht booked in the first quarter of the previous year.

The 1Q22 rental and service revenue marked at 82.87 million baht, up 18.23 million baht or 28.20% on a year-on-year basis from 64.64 million baht reported for 1Q21, thanks to the attempted boosts to sales.

The gross profit in 1Q22 stood at 17.53 million baht, increasing by 13.65 million baht or jumping by 351.08% YoY compared to the gross profit at 3.88 million baht reported for 1Q21. This jump in the gross profit was made possible by the increase in sales from the rental service business as well as the appropriate cost control to match the situation.

The SG&A expenses in 1Q22 amounted to 26.43 million baht, rising by 3.13 million baht or 13.43% from the figure reported in 1Q21.

The financial expenses in the first quarter of 2022 declined from the same period of the year before by 0.43 million baht or down 14.78% YoY to 2.48 million baht by reason of the repayment of the long-term loan to the financial institution during the period.

The corporate income tax in 1Q22 amounted to 0.17 million baht, increasing by 2.25 million baht or up 108.17% YoY due to the impact of the setting aside of deferred tax assets for tax loss in 2021 and the loan loss provision based on the simplified approach in compliance with the Financial Reporting Standard (TFRS 9): Financial instruments for realization of the impairment of receivables based on expected credit losses throughout the life of such assets starting on the date when the firm began to realize such receivables.

Financial position

As of March 31, 2022:

- The Company's assets totaled 1,601.67 million baht. The major assets consisted of the cash and cash equivalent at 42.42 million baht; the account receivables and other receivables at 80.85 million baht; the inventories at 14.02 million baht; the income tax withheld at source at 23.27 million baht; the land plant and equipment at 1,185.63 million baht; the assets for rent at 202.15 million baht; and the deferred tax assets at 32.01 million baht. Overall, the total assets fell by 10.81 million baht or a drop of 0.67% YoY compared to the figure reported as of December 31, 2021. The decline was due to the asset depreciation amounting to 21.46 million baht and the increase in investment in plant and equipment assets, i.e., the Thai traditional styled house to be used as a setting for drama and film shooting at 10.04 million baht and assets for rent at 9.07 million baht.
- The Company's total liabilities amounted to 290.93 million baht, increasing by 0.54 million baht or 0.19% compared to the figure reported on December 31, 2021. The key liabilities consisted of the account payables and other payables at 51.02 million baht; the current portion of long-term loans from financial institutions at 37.30 million baht; the current portion of financial lease liabilities at 3.38 million baht; the long-term loans from financial institutions at 159.63 million baht; the financial lease liabilities at 12.52 million; and the employee benefit obligations at 17.95 million baht. These were because the account payables and payables for asset purchases were typical for business operation.
- The shareholders' equity declined by 11.36 million baht or 0.86% to 1,310.75 million baht compared to the figure reported as of December 31, 2021. The debt to equity ratio (D/E ratio) stood at 0.22 times and the current ratio marked at 1.60 times.

Cash flow

In the first quarter of 2022, the Company booked a net cash flow received from operating activities at the amount of 1.32 million baht. The cash flow used for investing activities amounted to 17.25 million baht – most of which was used for purchase of assets for rent and investment in the aforementioned Thai traditional styled house to support drama and movie shooting setting services. The net cash flow used for funding activities stood at 9.73 million baht – most of which was used for repayment of the long-term

loan to the bank. The total net cash flow declined by 25.66 million baht. Therefore, the cash flow at the end of the period amounted to 42.42 million baht.

Yours sincerely,

Matching Maximize Solution Public Company Limited

(Mr. Chayanont Ulit)

Chief Executive Officer