

YEARLY BUSINESS HIGHLIGHTS – 2021/22

Operating revenue increased to THB 2,135mn, an increase of 25.7% YoY, mainly from more installation and maintenance project of the System Integration business as well as a growth in Domestic Advertising business.

- Advertising revenue increased by 18.7% YoY to THB 336mn.
- System Integration revenue increased by 27.1% YoY to THB 1,799mn.

KEY BUSINESS AND STRATEGIC UPDATES IN 2021/22

The COVID-19 pandemic situation continues to leave significant impacts to the business sentiment in Thailand and ASEAN markets, particularly in Malaysia and Indonesia. The media sector was influenced by the crisis from the limitation of public life, leading to difficulties in managing the Company's Out-of-Home ("OOH") media business. With this circumstance, MACO decided to reduce our presence in OOH media in Thailand and suspend business operations in Malaysia. Nevertheless, MACO still maintained presence in high growth potential markets, including Vietnam and Singapore. Going forward, MACO will focus on transitioning to a new economy business.

REDUCED OOH MEDIA PRESENCE IN THAILAND AND ASEAN MARKET

- On 31 January 2022, MACO successfully sold all billboard assets to Plan B Media Public Company Limited ("PlanB") with the total proceeds of THB 474.2mn¹. However, the Company still keeps our ownership of Street Furniture media in Thailand, managed by PlanB. After completion, the minimum guarantee paid by PlanB under Advertising Media Management and Service Agreement reduced from THB 700mn to THB 250mn per year.
- On 31 March 2022, MACO's Board of Directors approved to dispose all investments in Malaysia, which includes 1) 75.0% in VGI Global Media (Malaysia) Sdn. Bhd. ("VGIM") at a value of RM 1 (or approximately THB 8.063) and 2) 100.0% in Trans.Ad Malaysia Sdn. Bhd. ("TAM") at a value of RM 8.06mn (or about THB 65mn). Therefore, VGIM and TAM was ceased to be MACO's subsidiary, starting from 1 April 2022 onwards.

TAPPING INTO NEW ECONOMY BUSINESS

- On 12 November 2021, MACO's Board of Directors approved to enter into an agreement to form a 50:50 joint venture with YGGDrazil Group Public Company Limited – the top service provider of visual effects, animation and digital production studio in Thailand – to tap into Game Publishing business with a total investment of THB 200mn. Currently, the Company is in a process to establish the joint venture, which expects to be completed within 2022/23.

RIGHTS OFFERING

- On 5 January 2022, MACO successfully raised funds through the rights offering ("RO") at a total value of THB 811.8mn with newly issued ordinary shares of 2,706mn shares at an offering price of THB 0.30 per share. As a result, the Company's total shares increased to 8,118mn shares from 5,412mn shares.

MACO-W4

- On 25 May 2022, MACO's Board of Directors approved the issuance and allocation of MACO-W4 warrants in a number of 2,029mn units to the existing shareholders at a ratio of 4 newly issued ordinary shares for 1 unit of warrant. The transaction is subject to the approval of the shareholders' meeting, which will be held on 27 July 2022.
- Key terms and conditions of MACO-W4 as follows: -

MACO – W4

No. of warrants issued	2,029mn units
Record date	5 August 2022
Issuance date	5 September 2022
Exercise ratio	1 newly issued share: 1 warrant unit
Total value	THB 2,029mn
Exercise price	THB 1.00 per share
Term	1 year

¹ The Company received net cash from the sale of asset transaction of THB 474.2mn, which came from the asset disposal of THB 639.5mn deducted by an adjustment of advance minimum guarantee paid by PlanB of THB 165.3mn.

2021/22 CONSOLIDATED P&L SNAPSHOT

THB (mn)	2020/21 (Restated)	2021/22	YoY (%)
Operating revenue	1,698	2,135	25.7%
Cost of sales	1,226	1,664	35.7%
Gross profit	472	472	-0.1%
SG&A	412	410	-0.6%
Share of profit (loss) from JVs & associates	(30)	(22)	25.4%
EBITDA	284	278	-2.2%
EBIT	66	81	23.3%
Interest expenses	52	54	4.1%
Tax	13	35	165.5%
Net loss from continued operation	(19)	(16)	15.2%
Net profit (loss) from discontinued operation	(972)	50	105.2%
Net profit (loss)*	(992)	34	103.4%
Net profit (loss) (excluded extraordinary items)			
Net profit (loss) from continued operation	(19)	21	209.9%
Net loss from discontinued operation	(497)	(33)	93.4%
Gross profit margin	27.8%	22.1%	
EBITDA margin	16.7%	13.0%	
Net profit (loss) margin	-58.4%	1.6%	

*Net profit (loss) attributable to equity owner of the Company

Revenue by segments (THB mn)

	2020/21 (Restated)	2021/22	YoY (%)
Advertising	283	336	18.7%
System Integration	1,415	1,799	27.1%
Total revenue	1,698	2,135	25.7%

% Contribution to total revenue

	2020/21 (Restated)	2021/22
Advertising	16.7%	15.7%
System Integration	83.3%	84.3%
Total revenue	100.0%	100.0%

2021/22 PERFORMANCE ANALYSIS (YOY)

During the past 2 years, the global economy was affected by uncertainty of several outbreaks of COVID-19 pandemic, leading to a halt in businesses and public activities from lockdown and restriction measures. MACO's Advertising segments also influenced by the aforementioned crisis in which MACO recorded a significant loss during the past few years. With these circumstances, MACO decided to dispose its media assets and investments, which includes;

- 1) All domestic billboard assets as well as 100% investment in Multi Sign Company Limited ("MTS") and Comass Company Limited ("Comass")
- 2) 75.0% investment in VGI Global Media Malaysia Sdn. Bhd. ("VGIM")

As a result, MACO's financial performance from Domestic media operation, managed by MTS and Comass and International media operation, managed by VGIM were only restated from the Company's profit and loss statement. However, MACO will report net profit (loss) from aforementioned businesses as discontinued business. Going forward, the Company will only recognise revenue from 1) Street Furniture media under Advertising business and 2) System integration and maintenance of Trans.Ad Solutions Company Limited and Roctec Technology Limited under System Integration business.

The Company's **operating revenue** was THB 2,135mn, an increase of 25.7% YoY. The increase was mainly from more installation and maintenance projects under System Integration business and the recognition of minimum guarantee paid by PlanB.

- **Advertising revenue** contributed 15.7% of total revenue or THB 336mn, increased by 18.7% YoY. The increase was from the minimum guarantee paid by PlanB.
- **System Integration revenue** contributed 84.3% of total revenue or THB 1,799mn, increased by 27.1% YoY from more installation and maintenance projects.

The growth in revenue also reflects to an increase in **cost of sales**, which increased by 35.7% YoY to THB 1,664mn. **Cost-to-sales ratio** increased to 77.9% (prior year: 72.2%), resulting in a decrease of **gross profit margin** to 22.1% (prior year: 27.8%).

Selling, General and Administrative expenses ("SG&A") slightly decreased by 0.6% YoY to THB 410mn. As a result, **SG&A to revenue ratio** decreased from 24.3% to 19.2%.

Share of loss from investment in joint ventures & associates decreased from THB 30mn to THB 22mn in this year.

Net loss from continued operation² was reported at THB 16mn. Nevertheless, excluding the one-time items, the Company recorded **net profit from continued operation** at THB 21mn, an increase of 209.9% YoY. Meanwhile, the Company reported net profit from discontinued operation² at THB 50mn. Excluding extraordinary items, which comprised of 1) reversal of airport concession fee in Malaysia and 2) impairment of assets in Malaysia and Indonesia, the Company recorded **net loss from discontinued operation** at THB 33mn.

Altogether, the Company recorded **net profit** of THB 34mn, an increase of 103.4% YoY with a **net profit margin** of 1.6%.

² As shown in the profit and loss statement.

FINANCIAL POSITION
ASSETS

ASSETS BREAKDOWN	31 MAR 21		31 MAR 22	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current investments	1,248	17.5%	1,210	18.8%
Trade & other receivables	355	5.0%	257	4.0%
Investment in joint venture and associates	2,204	30.9%	2,408	37.5%
Property, plant and equipment	619	8.7%	442	6.9%
Right-of-use assets	907	12.7%	487	7.6%
Goodwill and Intangible assets	1,137	16.0%	641	10.0%
Other assets	655	9.2%	979	15.2%
Total assets	7,125	100.0%	6,425	100.0%

Total assets as of 31 March 2022 was reported at THB 6,425mn, a decrease of 9.8% or THB 700mn from THB 7,125mn as of 31 March 2021.

Total current assets were THB 1,983mn, decreasing by 2.1% or THB 43mn, primarily from a decrease of 1) trade and other receivables of THB 98mn and 2) cash & cash equivalents of THB 38mn. However, the decrease was partially offset by an increase in 3) work in process of System Integration business of THB 102mn.

Total non-current assets stood at THB 4,442mn, decreasing by 12.9% or THB 657mn, primarily due to a decrease in 1) goodwill and intangibles assets of THB 497mn, and 2) right-of-use assets of THB 420mn. Nevertheless, this decrease was partially offset by an increase in 3) investment in VGI Vietnam Joint Stock Company of 207mn and 4) investment in financial assets of THB 190mn.

Trade and other receivables were THB 257mn, a decrease of 27.5% or THB 98mn from THB 355mn as of 31 March 2021. The average collection period as at the end of this year was 76 days compared to 107 days as of 31 March 2021.

AGING OF TRADE RECEIVABLES (THB mn)	31 MAR 21	31 MAR 22
Not yet due	174	132
Up to 3 months	35	21
3 - 6 months	26	19
6 - 12 months	34	7
Over 12 months	36	9
Total	305	188
Allowance for expected credit losses	71	2

LIABILITIES AND SHAREHOLDERS' EQUITY

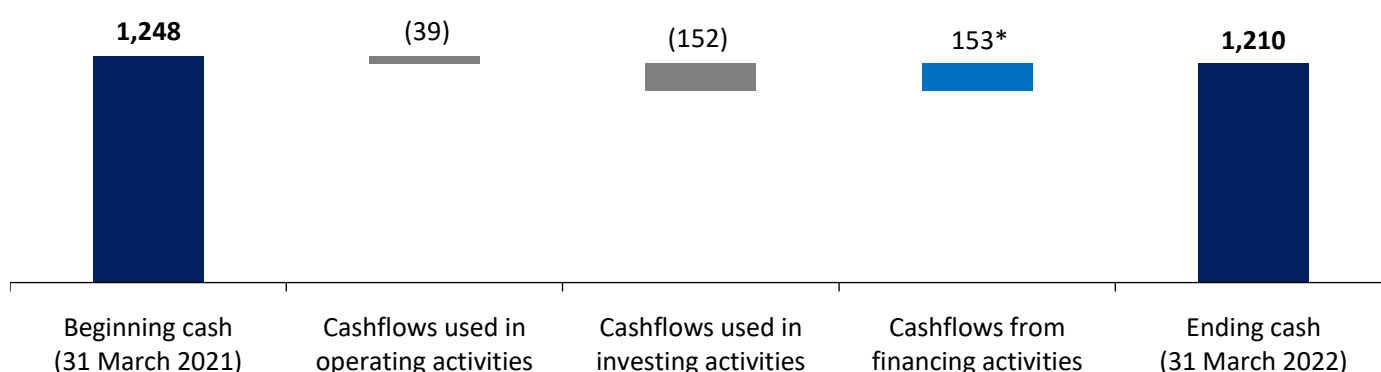
LIABILITIES AND EQUITY BREAKDOWN	31 MAR 21		31 MAR 22	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans from financial institutions	10	0.1%	195	3.0%
Trade and other payables	1,210	17.0%	906	14.1%
Advances received from employers and unearned revenue	1,036	14.5%	300	4.7%
Other current liabilities	389	5.5%	91	1.4%
Lease liabilities	1,059	14.9%	469	7.3%
Other non-current liabilities	601	8.4%	198	3.1%
Total liabilities	4,305	60.4%	2,159	33.6%
Shareholders' equity	2,820	39.6%	4,266	66.4%
Total liabilities and equity	7,125	100.0%	6,425	100.0%

Total liabilities were THB 2,159mn, decreasing by 49.8% or THB 2,146mn from THB 4,305mn as of 31 March 2021 mainly from a decrease in 1) advances received from employers and unearned revenue of THB 736mn, 2) lease liabilities – net of current portion of THB 590mn, 3) long-term loans – net of current portion of THB 435mn and 4) trade and other payables of THB 304mn.

Total equity was THB 4,266mn, increasing by THB 1,446mn or 51.3%. This was mainly attributed to an increase in 1) issued and fully paid up newly ordinary shares and share premium of THB 809mn, 2) non-controlling interests of the subsidiaries of 557mn, and 3) deficit from changes in ownership interests in subsidiaries of THB 327mn.

CASH FLOW

As of 31 March 2022, the Company had **net cash used in operating activities** of THB 39mn. **Net cash used in investing activities** was THB 152mn, mainly from cash paid for 1) purchase of investment in financial assets of THB 198mn and 2) purchase of investment in associate of THB 183mn. However, these were offset by cash received from 3) sales of media assets of THB 474mn. **Net cash from financing activities** was THB 153mn. The key components were cash received from 1) issuance of ordinary shares of THB 897mn. However, this was offset by cash paid for 2) repayment of short-term loans from financial institutions of THB 435mn, 3) lease liabilities of THB 209mn and 4) interest expenses of THB 67mn.

12-MONTH CASH FLOW SNAPSHOT


*Included translation adjustment of THB -21mn

KEY FINANCIAL RATIOS

		2020/21 (Restated)	2021/22			31 MAR 2021	31 MAR 2022
Profitability Ratios				Liquidity Ratios			
Gross profit	(%)	27.8%	22.1%	Current ratio	(times)	0.7	1.3
Operating EBITDA	(%)	16.7%	13.0%	Quick ratio	(times)	0.6	1.1
Net profit (continued operation)	(%)	-1.1%	-0.8%	Account receivable turnover	(times)	3.4	4.8
Net profit (discontinued operation)	(%)	-57.3%	2.3%	Average collection period	(days)	107	76
Net profit	(%)	-58.4%	-1.6%	Payable days	(days)	228	232
Return on equity	(%)	-0.55%	-0.43%	Leverage Ratios			
Efficiency Ratios				Liability to Equity	(times)	1.4	0.6
Return on assets	(%)	0.8%	1.2%	Debt to equity	(times)	0.3	0.1
Return on fixed assets	(%)	8.8%	15.3%				
Asset turnover	(times)	0.2	0.3				

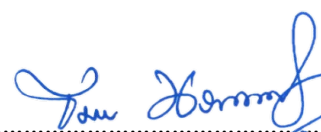
Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's formula.
- Following to the disposal of 1) all of MACO's domestic billboard assets and ordinary shares in Multi Sign Company Limited and Comass Company Limited and 2) 75.0% in VGI Global Media (Malaysia) Sdn. Bhd., the Company had restated profit and loss statement in 2020/21. The statement of financial position only as of end of March 2021 had reflected the aforementioned disposal asset and investment. Therefore, the Company calculate the ratio, which related to statement of financial position in 2021/22 as an average of balance at the end of March 2021 and March 2022.

MANAGEMENT OUTLOOK

Following the disposal of billboard assets in Thailand and investments in Malaysia, the remaining Out-of-Home media assets of MACO comprises of 1) Street Furniture media in Thailand, managed by Plan B Media Public Company Limited and 2) Outdoor media in Vietnam and Singapore markets. Going forward, MACO's business direction will focus on expansions into the new economy business, in response to the increasing popularity trend of the digital industry.

In addition to the business trajectory, we are also focused on stabilising and strengthening our liquidity and balance sheets as the economy rebounds. Overall, we believe that the Company will be able to tackle future challenges and harness opportunities arising from the structural changes towards our new strategic direction.



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 Tamonwan Narintavanich
 (Chief Financial Officer)