

MMS-AC65/016

November 9, 2022

Subject: Management discussion and analysis of the operating results for the third quarter of 2022,
ending September 30, 2022

To: The President
The Stock Exchange of Thailand

Matching Maximize Solution Public Company Limited (“The Company”) would like to report the operating results for the third quarter, ending September 30, 2022, which were already reviewed by the Certified Public Accountant. In the consolidated financial statement, the parent company booked a loss amounting to 18.34 million baht, representing a bigger loss by 33.75 million baht or an earnings deterioration by 219.02% on a year-on-year basis, compared to the profit of 15.41 million baht reported for the same period of 2021.

The revenue in 3Q22 was recorded at 86.93 million baht, down by 15.67 million baht or a fall of 15.28% on a year-on-year basis on the back of the following reasons.

Revenue from the content business in 3Q22 amounted to 12.25 million baht, up by 6.29 million baht or up 105.54% on a year-on-year basis versus the revenue of 5.96 million baht booked for 3Q21.

The revenue from the equipment rental service business in 3Q22 marked at 73.71 million baht, declining by 22.24 million baht or a drop of 23.18% on a year-on-year basis, compared to 95.95 million baht recorded in 3Q21.

(Million Baht)

Details	The Third Quarter			
	2022	2021	Change	
	Amount	Amount	Amount	%
Revenue from the content business	12.25	5.96	6.29	105.54%
Revenue from the equipment rental service business	73.71	95.95	(22.24)	-23.18%
Revenue from product sales	0.97	0.69	0.28	40.58%
Total revenue	86.93	102.60	(15.67)	15.28%

The gross profit in 3Q22 amounted to 13.79 million baht, down by 30.92 million baht or decreasing by 69.15% on a year-on-year basis, compared to the gross profit of 44.71 million baht reported in 3Q21. The decline was due to higher cost alongside improving economic conditions as well as preparations for normalization.

The SG&A expenses in 3Q22 stood at 30.15 million baht, increasing by 3.00 million baht or up 11.8% on a year-on-year basis.

The finance cost in 3Q22 marked at 2.65 million baht, down by 0.22 million baht or falling by 7.65% on a year-on-year basis due to the repayment of long-term loans to financial institutions during the period.

As for the nine-month operating period earnings performance ending September 30, 2022, in the consolidated financial statement, the parent company booked a net loss of 45.21 million baht, widening by 22.64 million baht or 100.31% versus the net loss of 22.57 million baht reported for the same period of last year.

In the nine-month operating period, the sales revenue totaled 260.19 million baht, increasing by 16.06 million baht or up 6.58%. The cost of sale increased by 33.88 million baht or 18.67% to 215.29 million baht. The total gross profit marked at 44.90 million baht, down by 17.81 million baht or 28.40%. The total SG&A expenses stood at 83.75 million baht, up 6.36 million baht or 8.22%. The finance cost declined by 1.05 million baht or 12.17% to 7.59 million baht. Overall, the Company and subsidiaries booked a total net loss of 45.21 million baht, increasing by 22.64 million baht or 100.33% on a year-on-year basis.

Financial Position

As of September 30, 2022,

- The total assets amounted to 1,551.04 million baht. Key assets consisted of cash and cash equivalent at 26.19 million baht, account receivables and other receivables at 76.73 million baht, inventories at 12.12 million baht, withheld corporate income tax at 27.19 million baht, land, plant and equipment at 1,169.12 million baht, assets for lease at 187.09 million baht, and deferred tax assets at 32.63 million baht. The total assets declined by 61.45 million baht or a drop of 3.81% from the figure as of December 31, 2021 due to the asset depreciation and amortization amounting to 63.68 million baht, and the increases in investment in: i) buildings and equipment as well as intangible assets at 15.14 million baht, ii) assets for leases at 17.24 million baht, and iii) right-of-use assets at 8 million baht – consisting of investment in the traditional Thai style houses for film shooting setting and investment in rental equipment to serve clients' demand.

- The liabilities totaled 274.14 million baht, down by 16.24 million baht or declining by 5.59% compared to the figure reported as of December 31, 2021. Key liabilities included account payables and other payables at 37.19 million baht, current portion of long-term loans from banks at 39.00 million baht, current portion of lease liabilities at 3.39 million baht, long-term loans from banks at 156.12 million baht, lease liabilities at 10.85 million baht, and employee benefit obligations at 19.13 million baht. The decline in total liabilities was due to loan repayment made to financial institutions.
- The shareholders' equity stood at 1,276.90 million baht, down by 45.21 million baht or a fall of 3.42% from the figure seen as of December 31, 2021. The D/E ratio marked at 0.21x and the current ratio was 1.62x.

Cash flows

The net cash flow received from operating activities amounted to 3.24 million baht. The net cash flow used for investing activities stood at 31.92 million baht, most of which was used for purchases of rental assets and increases in investment in assets, buildings and equipment related to the Thai traditional style houses served at film shooting setting. Meanwhile, the net cash flow used for financing activities marked at 13.21 million baht, most of which was used for loan repayment made to banks. The overall net cash flows decreased by 41.89 million baht. Therefore, the cash flows at the end of the period amounted to 26.19 million baht.

Yours sincerely,

Matching Maximize Solution (Plc)

(Mr.Chayanont Ulit)

Chief Executive Office