

11 November 2022

Subject: Management's Discussion and Analysis (MD&A)
Consolidated Financial Results: Q3/2022 and 9M/2022

Attention: Managing Director
The Stock Exchange of Thailand

Executive Summary

In the third quarter of 2022, there are highlights as follows:

Awarded “Excellent CG Scoring” 5 years in a row

The Company received Excellent CG Scoring or scoring of 5 under the Corporate Governance Report of Thai List Companies (CGR) from Thai Institute of Directors (Thai IOD) and The Stock Exchange of Thailand (SET) among the 750 Thai listed companies in 2022.

This recognition ensures that the Company operates based on good governance, code of conduct and business ethics with responsibility to communities, society, the environment, and all stakeholders.



Operating Results

Operating results of the Company & its subsidiaries (Unit : MB)	Q3/22	Q3/21	Change +/-		Change +/-	
			YoY	9M/22	9M/21	YoY
Operating revenue	154.81	111.35	39.03%	458.78	301.46	52.19%
Cost of sales	(121.76)	(79.41)	53.33%	(339.64)	(203.94)	66.54%
Gross profit	33.05	31.94	3.47%	119.15	97.52	22.18%
Selling and administrative expenses	(31.43)	(23.80)	32.06%	(87.57)	(70.58)	24.07%
Other income	2.36	4.79	-50.67%	5.18	7.31	-29.18%
EBITDA	3.98	12.93	-69.20%	36.76	34.25	7%
Depreciation and amortization	(7.77)	(3.76)	106.65%	(16.26)	(11.55)	40.78%
EBIT	(3.79)	9.17	-141.31%	20.50	22.70	-9.71%
Finance cost	(2.77)	(2.42)	14.50%	(5.75)	(7.40)	-22.36%
Income tax expenses	(0.59)	(1.78)	-66.80%	(6.52)	(7.32)	-10.90%
Share of profit (loss) from investment in J/V	(0.15)	0.16	-100.00%	(0.20)	0.16	-100.00%
Net profit	(7.30)	5.13	-242.24%	8.03	8.14	-1.30%
Net profit for the Company	1.42	2.8	-49.29%	5.72	13.77	-58.46%
Gross profit margin (%)	21.35%	28.68%	-7.33%	25.97%	32.35%	-6.38%
Net profit margin (%)	-4.64%	4.41%	-9.05%	1.73%	2.63%	-0.90%

Revenue

In the third quarter of 2022, revenue from sales and services was 154.81 MB, a significant increase 43.47 MB or 39.03% from Q3/2021, which was 111.35 MB. It was mainly due to sales from broadcast and cyber security projects.

As a result of an increase in sales of the Company's original expertise in System Integrator (SI), as well as the new S-curve business unit could recognize revenue as planned, the operational revenue in 9M/2022 was 458.78 MB, a significant growth 157.32 MB or 52.19% from 9M/2021 in which the operational revenue was 301.46 MB.

Cost of Sales and Services

The rising cost of goods and equipment which was due to the sharp-rising inflation as well as increase in oil prices around the world was still the major cause of the higher Company's cost of sales and services in the third quarter of 2022 which was 121.76 MB or 78.65% of operating revenue. To compare with Q3/2021, the cost of sales and services was 79.41 MB or 71.32% of operating revenue.

Consequently, in 9M/2022, the cost of sales and services was 339.64 MB or 74.03% of operating revenue. It increased from 9M/2021 which was 203.94 MB or 67.65% of operating revenue.

Selling and Administrative Expenses

The selling and administrative expenses for Q3/2022 equaled to 31.43 MB. It increased from the same period of the previous year which was 23.80 MB. However, if compared to total revenue, the selling and administrative expenses of Q3/2022 was 19.99% of total revenue which was better than Q3/2021 in which the selling and administrative expenses was 20.49% of total revenue.

Although, the usual sales and marketing activities has been resumed since the COVID-19 situation in Thailand was improving, the Company was quite able to control the selling and administrative expenses from the effective cost control strategy.

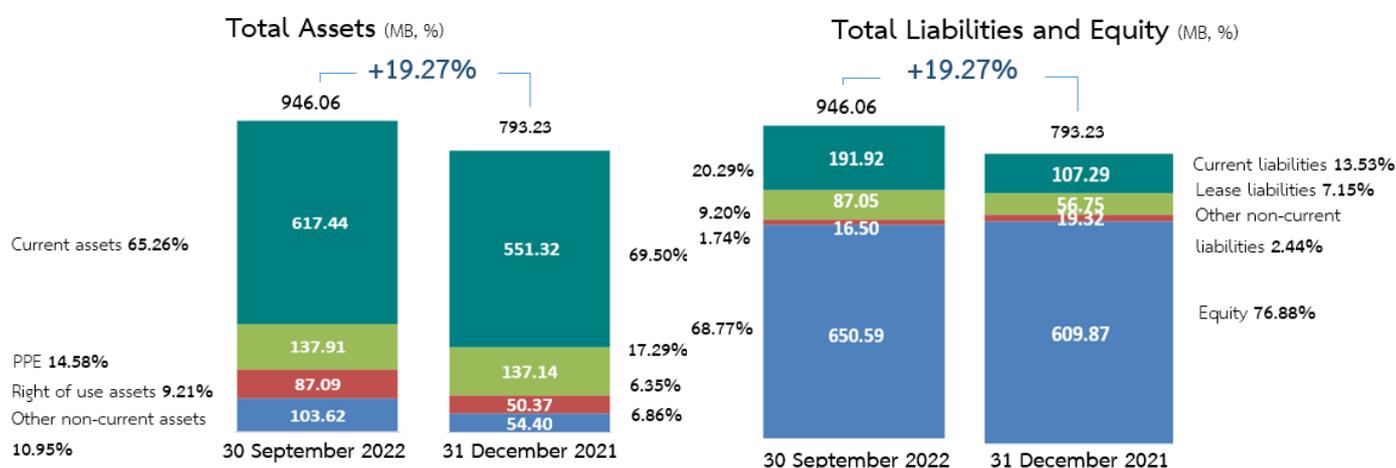
Financial Costs

The financial cost for Q3/2022 was 2.77 MB or 1.76% of total revenue compared to the same period of last year which was 2.42 MB or 2.08% of total revenue. In 9M/2022, the financial cost was 5.75 MB, decreased 22.36% from the same period of last year which was 7.40 MB.

Operating Results

From the Company's investment strategy in expanding the business into New S Curve along with the COVID-19 situations and conditions in Thailand which have continuously improved, the Company's revenue in Q3/2022 increased from the same period last year. In 9M/2022, net profit was 8.03 MB, a slight decrease from 9M/2021 in which the net profit was 8.14 MB. This was mainly due to the higher cost of sales and services from the global rising inflation. However, Q3/2022, the Company had the net loss 7.30 MB from the new established subsidiaries which was still in the early stage.

Financial Position



Assets

As of 30 September 2022, the total assets were 946.06 MB, increased 152.83 MB or 19.27% compared to the end of 2021 equaled to 793.23 MB. It was mainly from the auditor's adjustment in right of use assets calculations. This contract was the company's head office rental contract. It caused the increase in right of use assets, 36.72 MB. Additionally, there's an increase in account receivable, 42.23 MB, and accrued revenue, 75.33 MB, which was from revenue recognitions of the Company's major projects.

Liabilities

The total liabilities as of 30 September 2022 were 295.46 MB, increased 112.10 MB or 61.14% compared to the end of 2021 which equaled to 183.36 MB. It was due to the increase in account payable 22.82 MB from the purchasing of goods for significant projects such as TPTV with The Secretariat of the Cabinet (“SOC”). Moreover, short-term loans from financial institutions increased by 44.90 MB.

Shareholders’ equity

As of 30 September 2022, the shareholders’ equity was 650.59 MB, increased 40.72 MB from the end of 2021 which equaled to 609.87 MB. This was from exercising warrants 35.00 MB in Q3/2022.

Financial Ratio

The important ratios are presented below:

Ratio	As of 30 September 2022	As of 31 December 2021
Liquidity Ratio (Times)	3.22	5.14
Debt to Equity Ratio (Times)	0.45	0.30
Return on Equity (%)	1.79	1.10

Yours Sincerely,

(Mr. Prapat Rathlertkarn)
Chief Executive Officer