



RIGHT TUNNELLING

Our Ref. RTCS 021/2565

RIGHT TUNNELLING PUBLIC COMPANY LIMITED

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November 14, 2022

Subject: Management Discussion and Analysis Quarter 3 Ending 30 September 2022

To: The President
The Stock Exchange of Thailand

Right Tunnelling Public Company Limited and its Subsidiaries (“the Company and its Subsidiaries”) would like to report the consolidated operating results and financial position of the third quarter, as of 30 September 2022, reviewed by the auditor. The details are as follows:

Financial Highlight

| Statement of Comprehensive Income Unit: million baht or as otherwise stated | 9M/21 | 9M/22 | Change | 3Q/21 | 2Q/22 | 3Q/22 | Change | |
|--|-----------------|-----------------|-----------------|---------------|---------------|---------------|--------------------|-----------------|
| | | | YoY% | | | | QoQ% | YoY% |
| Revenues from construction services | 1,910.10 | 1,674.66 | -12.33% | 591.72 | 580.08 | 592.49 | 2.14% | 0.13% |
| Sales of construction materials | 6.49 | 10.51 | 61.85% | 0.84 | 1.91 | 8.33 | 337.04% | 891.67% |
| Exchange gain | 4.28 | 4.86 | 13.46% | 1.29 | 3.57 | 2.19 | -38.55% | 70.45% |
| Other income | 13.73 | 5.94 | -56.75% | 5.77 | 2.84 | 1.77 | -37.83% | -69.43% |
| Total revenues | 1,934.60 | 1,695.96 | -12.34% | 599.62 | 588.39 | 604.78 | 2.78% | 0.86% |
| Cost of construction services | 1,652.69 | 1,547.65 | -6.36% | 529.6 | 517.25 | 567.35 | 9.69% | 7.13% |
| Cost of sales of construction materials | 5.82 | 9.52 | 63.61% | 0.80 | 2.13 | 7.14 | 234.82% | 791.88% |
| Administrative expenses | 189.00 | 178.21 | -5.71% | 60.95 | 54.54 | 65.70 | 20.45% | 7.78% |
| Exchange loss | -17.81 | 0.00 | -100.00% | -17.81 | 0.00 | - | - | -100.00% |
| Total expenses | 1,829.71 | 1,735.38 | -5.16% | 573.54 | 573.92 | 640.18 | 11.55% | 11.62% |
| Net Operating profit | 104.90 | -39.42 | -137.58% | 26.08 | 14.47 | -35.40 | -344.65% | -235.76% |
| Finance revenues | 1.39 | 0.84 | -39.87% | 0.35 | 0.29 | 0.36 | 24.23% | 5.51% |
| Finance cost | -39.17 | -53.01 | 35.33% | -13.64 | -16.55 | -20.72 | 25.25% | 51.92% |
| Profit before income tax expenses | 67.12 | -91.59 | -236.46% | 12.78 | -1.78 | -55.76 | 3,029.29% | -536.27% |
| Income tax expenses | -11.13 | 21.36 | -291.90% | -1.31 | 2.00 | 10.64 | 432.97% | -912.06% |
| Profit for the period | 55.99 | -70.23 | -225.43% | 11.47 | 0.21 | -45.13 | -21,186.92% | -493.36% |
| Gross Profit Margin (%) | 13.48% | 7.58% | | 10.50% | 10.83% | 4.24% | | |
| Net Profit Margin (%) | 2.89% | -4.14% | | 1.91% | 0.04% | -7.46% | | |

Performance

1. Revenues: For 3Q/22 ending September 30, 2022, the total revenue of the Company and its Subsidiaries was Baht 604.78 million, increased by Baht 5.16 million or equivalent to 0.86 percent increase compared to last year. The major revenue was from the construction revenue in the number of Baht 592.49 million, increased by Baht 0.77 million or equivalent to 0.13 percent increase compared to last year. For 9M/22 ending 30 September 2022, the total revenue of

the Company and its Subsidiaries was Baht 1,695.96 million, decreased by Baht 238.64 million or equivalent to 12.34 percent decrease compared to last year. The major revenue was from the construction revenue in the number of Baht 1,674.66 million, decreased by Baht 235.44 million or equivalent to 12.33 percent compared to last year. As a result of the recent outbreak of the COVID-19, The Company are unable to proceed construction in 2021, thus temporarily delaying the construction of some projects in which the impact still affects 2022's performance.

2. Expenses: For 3Q/22 ending September 30, 2022, the total expense of the Company and its Subsidiaries was Baht 640.18 million, increased by Baht 66.64 million or equivalent to 11.62 percent compared to last year. The major expenses were the cost of construction services in the number of Baht 567.35 million, increased by Baht 37.75 million or equivalent to 7.13 percent. For 9M/22, the total expense of the Company and its Subsidiaries was Baht 1,735.38 million, decreased by Baht 94.33 or equivalent to 5.16 percent decrease compared to last year. The major expenses were the cost of construction services in the number of Baht 1,547.65, decreased by Baht 105.04 million or equivalent to 6.36 percent. The administrative expenses were Baht 178.21 million, decreased by Baht 10.79 million.

3. Profitability: For 3Q/22 ending September 30, 2022, the Company and its Subsidiaries had the gross profit of Baht 25.14 million, decreased by Baht 36.98 million or equivalent to 59.53 percent compared to last year. The gross profit margin is 4.24 percent. The net loss is at the amount of Baht 45.13 million, decreased by Baht 56.60 million. For 9M/22, it showed that the Company and its Subsidiaries had the gross profit of Baht 127.01 million, decreased by Baht 130.40 million or equivalent to 50.66 percent. The gross profit margin is 7.58 percent. The net loss is at the amount of Baht 70.23 million, decreased by Baht 126.22 million. The decrease in gross profit and net profit are due to the COVID-19 pandemic that delayed the construction progress in some projects and the difference of the profit structure in some projects compared to same period of last year

Financial Position

| Statement of Financial Position Unit: million baht | As of 31 Dec 2021 | As of 30 Sep 2022 | Change | |
|---|-------------------|-------------------|--------|-------|
| | | | Amount | % |
| Total Assets | 3,915.16 | 4,489.24 | 574.09 | 14.66 |
| Total Liabilities | 2,578.59 | 3,239.03 | 660.44 | 25.61 |
| Total Equity | 1,336.56 | 1,250.21 | -86.35 | -6.46 |

- **Total Assets:** As of 30 Sep 2022, the total Assets of the Company and Subsidiaries were Baht 4,489.24 million, increased by Baht 574.09 million from the end of last year or 14.66 percent. The major changes in assets are contract assets - unbilled receivables increased by Baht 278.07 million which the revenue is recognized in proportion of work completed and is not yet billed to customer, and Cash and cash equivalents increased by Baht 84.62 million.
- **Total Liabilities:** As of 30 September 2022, the total Liabilities of the Company and its Subsidiaries were Baht 3,239.03 million, increased by Baht 660.44 million from the end of previous year or 25.61 percent. The major changes in liabilities are bank overdrafts and short-term loans from financial institutions which decreased by Baht 193.29 million, trade and other payables which increased by Baht 103.03 million, current portion of long-term loans from financial institutions which increased by Baht 102.58 million, and debenture increased by Baht 580.70 million, which was the issuance for sale to institutional investors and high net worth investors on August 11, 2022.

- **Shareholders' equity:** As of 30 September 2022, total Shareholders' equity of the Company and its Subsidiaries were Baht 1,250.21 million decreased by Baht 86.35 million from the previous year or 6.46 percent due to the comprehensive loss for the 9M/22 by Baht 70.95 million and the dividend payment at the amount of Baht 15.40 million.

Yours sincerely,

(Mr. Pattanapong Suwannachat)

Deputy Managing Director for Accounting and Finance/Chief Financial Officer (CFO)