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February 20<sup>th</sup>, 2023

Subject: Management Discussion and Analysis for the year of 2022

To : President  
The Stock Exchange of Thailand

SiS Distribution (Thailand) Public Company Limited (“The Company”) and its subsidiaries would like to announce the Financial Report for the year of 2022 as at 31<sup>st</sup> December 2022, which has been audited by certified Auditors. The details are as follows:

#### 1) Revenues

Total revenue of the Company and its subsidiaries for the year of 2022 was 29,073 million Baht, a decrease of 3,352 million Baht or 10.3% from the previous year, consisting of Sales and Service Income of 29,042 million Baht and Others of 31 million Baht.

Sales and Service Income by segments were presented as follows:

Business Units	Revenues (Million Baht)		Increase (Decrease)		Gross Margin (Million Baht)		Increase (Decrease)	
	2022	2021	MB.	%	2022	2021	MB.	%
Commercial	7,260	6,289	971	15.44%	378	344	34	9.88%
Consumer	9,265	10,511	-1,246	-11.85%	479	474	5	1.05%
Value Added	4,025	3,851	174	4.52%	436	443	-7	-1.58%
Phone	6,436	9,927	-3,491	-35.17%	213	318	-105	-33.02%
Others	2,056	1,716	340	19.81%	399	345	54	15.65%
<b>Total</b>	<b>29,042</b>	<b>32,294</b>	<b>-3,252</b>	<b>-10.07%</b>	<b>1,905</b>	<b>1,924</b>	<b>-19</b>	<b>-0.99%</b>

For year of 2022, Revenues decreased from two major Business Units that are directly related to consumer. When compared to the previous year, Consumer decreased by 1,246 million Baht or 11.85% and Phone decreased by 3,491 million Baht or 35.17%. The reasons were the economic slowdown, rising inflation, high household debt and the volatility of Baht currency, which increased the cost of IT products. These were factors that forces consumers to cut back on spending luxury goods and delay their purchases. There was also the Thai government’s 50:50



co-payment scheme in the previous year which had to be run through mobile payment application, as well as allowing employees to work from home and online learning to stimulate large number of Smartphone purchases during that period.

When compared to the previous year, revenues from Commercial, Value Added and Other products sold to the organization increased. Because of the COVID-19 outbreak, the several companies have begun to allow employees return to work. As a result, the company has to spend new more equipment.

## 2) Net Profit

Net Profit of the Company and its subsidiaries for the year of 2022 was 688 million Baht, a decrease of 104 million Baht or 13.1% from the previous year mainly due to

- 2.1 Gross profit decreased by 19 million Baht or 0.99% from Phone.
- 2.2 Because of the volatility of Baht Currency, the Company had loss on exchange rate of 0.1 million Baht, compared to a gain on exchange rate of 97 million Baht in the previous year.
- 2.3 As a result of rising interest rates, the Company's financial cost increased by 21 million Baht over the previous year.

Yours sincerely,

Mr. Somchai Sittichaisrichart  
Managing Director