

MMS-AC66/001

February 22, 2023

Subject Management discussion and analysis of the 2022 operating results

To The President of the Stock Exchange of Thailand

For the 2022 operating performance, which was already audited by the authorized auditor, Matching Maximize Solution Public Company Limited (the Company) marked a net loss of 65.26 million baht in the consolidated financial statement, representing a bigger loss of 48.79 million baht, equivalent to an increase in the loss by 296.24% from the net loss of 16.47 million baht reported for 2021. The details are discussed below:

Details	(Million Baht)			
	2022	2021	Changes	
	Amount	Amount	Amount	%
Revenue from equipment rental services	270.42	248.92	21.50	8.64%
Revenue from studio rental services	30.70	73.46	(42.76)	-58.21%
Revenue from content business	38.45	25.33	13.12	51.80%
Revenue from product sales	3.56	3.13	0.43	13.74%
Total Revenue	343.13	350.84	(7.71)	-2.20%
Total sales and service cost	282.72	254.84	27.88	10.94%
Gross profit	60.41	96.00	(35.59)	-37.07%
SG&A expenses	116.85	103.24	13.61	13.18%
Financial expenses	10.36	11.25	(0.89)	-7.91%
Total expenses	127.21	114.49	12.72	11.11%
Loss before other revenue and expenses	(66.80)	(18.49)	48.31	261.28%
Other revenue	1.36	3.83	(2.47)	-64.49%
Pre-tax losses	(65.44)	(14.66)	50.78	346.38%
Corporate income tax	0.18	(1.81)	1.99	109.94%
Net losses	(65.26)	(16.47)	48.79	296.24%

The total revenue in 2022 marked at 343.13 million baht, representing a decline of 7.71 million baht or a drop of 2.20% on a year-on-year due to the following reasons.

The revenue from equipment rental services in 2022 amounted to 270.42 million baht, increasing by 21.50 million baht or up by 8.64 % on a year-on-year basis from the revenue of 248.92 million baht reported in 2021. The number of domestic clients increased thanks to the easing situation of the resurgence of COVID-19 pandemic.

The revenue from studio rental services in 2022 was recorded at 30.70 million baht, down by 42.76 million baht or a drop of 58.21% from 73.46 million baht due to slowdown in foreign clients.

The revenue from content business in 2022 marked at 38.45 million, up by 13.12 million or an increase of 51.80% on a year-on-year basis versus 25.33 million baht in 2021 on the back of service expansions to cover more production of movies, dramas, and TV programs.

The gross profit in 2022 was reported at 60.41 million baht, down by 35.59 million baht or a drop of 37.07% on a year-on-year basis from the gross profit of 96.00 million in 2021 because of the decline in revenue from studio rental services and the increase in cost on the back of the market expansions for content business (i.e., production services for movies, dramas, and TV programs).

The SG&A expenses in 2022 stood at 116.85 million baht, up by 13.61 million baht or an increase of 13.18% YoY on the back of the market expansions for content business and increasing personnel expenses.

The financial expenses in 2022 marked at 10.36 million baht, down by 0.89 million baht or a drop of 7.91% from the amount reported for the same period of 2021. The decrease was due to repayment of long-term loans from banks during the period.

Financial Position

As of December 31, 2022:

- The assets totaled 1,537.42 million baht. The key assets consisted of cash and cash equivalent at 30.60 million baht, the account receivables and other receivables at 74.95 million baht, the inventory at 12.85 million baht, the withholding income tax at 28.00 million baht, the land, plant and equipment at 1,160.80 million baht, the assets for lease at 178.94 million baht, and the deferred tax assets at 32.36 million baht. The total assets declined by 75.07 million baht or a drop of 4.66% compared to the amount reported as of December 31, 2021 due to the asset depreciation and amortization at the amount of 83.95 million baht and the increase in investment in assets – buildings and equipment – at the amount of 12.45 million baht, the intangible assets

amounting to 2.88 million baht, the assets for use at 20.06 million, and the right-of-use assets of 8.00 million baht. These included investment in Thai traditional styles houses for studio rental services and investment in new rental equipment to serve clients' demand.

- The total liabilities amounted to 280.57 million baht, down by 9.81 million baht or a drop of 3.38% from the figure reported as of December 31, 2021. The decline in liabilities was due to repayments of loans to banks. The key liabilities consisted of short-term loans from banks at 9.00 million baht, account payables and other payables at 44.52 million baht, the current portion of long-term loans from banks at 39.96 million baht, the current portion of the lease liabilities at 3.31 million baht, the long-term loans from banks at 145.82 million baht, the lease liabilities at 10.08 million baht, and the employee benefit obligations at 18.81 million baht.
- The shareholders' equities marked at 1,256.85 million baht, down by 65.26 million baht or a drop of 4.94% from the figure seen as of December 31, 2021. The D/E ratio stood at 0.22 times and the current ratio was 1.39x.

Cash flows

The Company's net cash flows received from operating activities amounted to 12.73 million baht and the net cash flows used for investing activities amounted to 35.84 million baht – mostly for purchase of assets for leases and additional asset investment in buildings and equipment, i.e., the Thai traditional styles to serve filming activities. Meanwhile, the net cash flows used for funding activities amounted to 14.39 million baht – mostly for loan repayment to the banks. Hence, the overall net cash flows decreased by 37.49 million baht. Therefore, the Company's remaining cash flows at the end of the period amounted to 30.59 million baht.

Sincerely yours,

Matching Maximize Solution Public Company Limited

(Mr. Chayanont Ulit)

Chief Executive Office