

Netbay IR 01/2566

23 February 2023

Subject: Management Discussion and Analysis for the year 2022

To: The President The Stock Exchange of Thailand

**Overview of Operating Results for the year 2022**

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the year ended 2022 was Baht 457.19 million, increasing Baht 56.73 million or 14.17% from the year ended 2021. Revenue rises as the economy improves. In addition, in the fourth quarter the company recognized revenue based on the percentage of completion of the project to Total Document Handling (TDH) for Thailand Post Co., Ltd.

Cost of services for the year ended 2022 was Baht 97.01 million, increasing Baht 18.91 million or 24.22% from the year ended 2021 from the same period of the previous year. The cost of services increased in accordance with employee salary adjustments. The Company normally adjust the salary for employees once a year in July, along with adjusting the salary base of employees as part of normal business. Last year, the salary base in the software developer market has risen significantly because the labor market is insufficient to meet market demand. As a result, to deal with the highly competitive labor market, the company has adjusted the salary base for employees to be competitive. Furthermore, the company has increased the number of developers to support project work on the current project, which is expected to generate revenue and support future project expansion.

Service and administrative expenses for the year ended 2022 was Baht 149.54 million, increasing Baht 11.19 million or 8.09% from the year ended 2021. The proportion of service and administrative expenses to total revenue from service was 32.71%, decrease from last year (2021: 34.55%). The proportion of service and administrative expenses to total revenue of decrease from last year due to the efficiency in the management of service & administrative expenses.

The company’s earning before depreciation and amortization, interest and corporate income tax (EBITDA) for the year ended 2022 was Baht 228.68 million, increasing Baht 23.87 million or 11.65% from the year ended 2021.

The company’s net profit for the year ended 2022 was Baht 169.74 million, increasing Baht 4.17 million or 2.52% from the year ended 2021. The rise in net profit was due to continuously maintain revenue growth in revenue and the efficiency in the management of cost of services and service & administrative expenses. (The Company had a corporate income tax burden in the third quarter of 2021 since the tax privileges from the Board of investment expired in the second quarter of 2021.)



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As at December 31, 2022, the Company's total assets was Baht 684.03 million and total liabilities was Baht 183.06 million. Shareholders' equity amounted Baht 500.97 million, increasing Baht 19.00 million from the end of year 2021 due to the increase in net operating profit during the year.

Debt to equity ratio as at December 31, 2022 was 0.37 (31 December 2021: 0.33). Book value per share was Baht 2.50 (31 December 2021: Baht 2.41 per share).

Please be informed accordingly.

Yours sincerely,

(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited