

February 28, 2023

Subject: Management Discussion and Analysis for the Q4/2022 and year 2022

President

The Stock Exchange of Thailand

In Quarter 4/2022, the company had revenue of 115.75 million baht, which increased 15% compared to Quarter 4/2021, had operating profit of 12.32 million baht, which was an increase of 69% compared to quarter 4/2021.

Compared to Q3/2022, revenue from services continued to grow by 1%, while profit from services decreased by 43%, as one-off expenses from the listing on the stock market and seasonal staff expenses to be recorded at the end of the year totaled 10.5 million baht. As a result, the company's operating results are as follows:

Operating results for the Q4/2022 and year 2022

(Thousand baht)

Consolidate	3 Months					12 Months		
	Q4/2022	Q3/2022	%QoQ	Q4/2021	%YoY	12M2022	12M2021	%YoY
Revenue from services	115,745	114,635	1%	100,695	15%	439,244	400,242	10%
<i>BVG</i>	50,204	49,619	1%	41,184	22%	186,632	163,899	14%
<i>BVTPA</i>	58,639	59,119	-1%	53,724	9%	227,591	217,472	5%
<i>BVA & BVTECH</i>	6,901	5,897	17%	5,787	19%	25,021	18,871	33%
Costs of services	55,529	49,801	12%	45,335	22%	198,617	173,787	14%
<i>BVG</i>	30,218	25,510	18%	23,410	29%	101,523	87,423	16%
<i>BVTPA</i>	20,181	19,083	6%	18,153	11%	76,230	73,288	4%
<i>BVA & BVTECH</i>	5,130	5,209	-2%	3,772	36%	20,864	13,076	60%
Gross profit	60,216	64,834	-7%	55,359	9%	240,626	226,455	6%
Administrative expenses	47,898	43,113	11%	48,067	0%	175,383	163,633	7%
Operation profit	12,318	21,721	-43%	7,292	69%	65,243	62,822	4%
Other income(expenses)	(806)	683	-218%	1,138	-171%	2,814	2,642	7%
Profit before tax	11,513	22,404	-49%	8,430	37%	68,057	65,463	4%
Net Profit	8,962	18,370	-51%	6,781	32%	54,044	50,164	8%

Consolidate	31/12/2022	31/12/2021	%+/-
Total assets	481,607	508,600	-5%
Total liabilities	115,085	124,456	-8%
Shareholders' equity	366,522	384,143	-5%

1. Revenue from services

The company had revenue of 115.75 million baht in Quarter 4/2022, which increased from 3/2022 by 1.1 million baht or +1% and had increased revenue of 15.1 million baht or +15% compared to Quarter 4/2021 of the previous year due to the COVID situation having been resolved, causing people to return to their daily lives and social activities, which resulted in an increase in the number of companies using the system.

For the year 2022, revenue from services was in the amount of 439.24 million baht, which is an increase of 39.0 million baht or +10% from the same period in the previous year.

- BVG: The Motor insurance-related business management platform and application services ("EMCS system") revenue was in the amount of 186.63 million baht, increased by 22.73 million baht, or +14% due to the increase from the new revenue by AI technology. There were 7 insurance companies to use sum service in AI system, and the increased number of transactions by claim settlement product (Conventional product) after the COVID eased in the second half of the year. In addition, the growth of the car market and the increase in new customers, 2 insurance companies and partners (garage, dealer and auto parts stores) increased by more than 100 customers in the year 2022.
- BVTPA: revenue was in the amount of 227.59 million baht, with 195.13 million baht from TPA platform and 35.46 million baht from Training & other services (Proportion 84:16). Medical benefits and claims management services, including related advice through platforms and applications ("TPA Services"), increased by 11.75 million baht from the increased number of claims processing services for insurance companies and customers, who are a general group of organizations that manage their own employee welfare (self-insured). In 2022, there was an increase in the number of new customers consisting of 1 insurance company and 19 self-insured companies.
- BVA: Actuarial consulting increased in the amount of 4.31 million baht from services on insurance company customers in accordance with Thai Financial Reporting Standards No. 17 Re: Insurance Contracts (TFRS 17).
- BVTECH: Businesses providing electronic platforms and software development services increased by 2.50 million baht, namely Wellnesso and Insurance Network.

2. Cost of Services

The company had a cost of 55.53 million baht in quarter 4/2022 which was an increase of 5.73 million baht or +12% from quarter 3/2022 due to the seasonal staff expenses that will be recorded at the end of the year. Also, an increase of 10.19 million baht or +22% compared to quarter 4/2021.

For the year 2022, the cost was 198.62 million baht, which is an increase of 24.83 million baht or +14% compared to the previous year, due to the variable cost of providing AI services based on revenue, IT staff expenses to support business expansion, and IT cost to provide services increased as the transaction grows.

3. Gross profit

The company had a gross profit of 60.22 million baht in quarter 4/2022, which is a decrease of 4.62 million baht or -7% from quarter 3/2022 due to the seasonal staff expenses that will be recorded at the end of the year. Also, an increase of 4.86 million baht or +9% compared to quarter 4/2021.

For the year 2022, it was 240.63 million baht, which is an increase of 14.17 million baht or +6% compared to the year 2021. The increase in gross profit was due to the continued improvement in operating results in line with the target.

4. Administrative expenses

The company had administrative expenses of 47.90 million baht in quarter 4/2022, which was an increase of 4.79 million baht or +11% from quarter 3/2022 which is similar as compared to quarter 4/2021.

For the year 2022, it was 175.38 million baht which is an increase of 11.75 million baht or +7% compared to the same period of 2021. The increase was from BVG's employee expenses to support the company's growth and the expenses in preparing for the company to be listed on the stock market.

5. Operating profit

The company had operating profit of 12.32 million baht in quarter 4/2022, which was a decrease of 9.40 million baht or -43% from quarter 3/2022 due to the seasonal staff expenses that will be recorded at the end of the year. Also, an increase of 5.03 million baht or +69% compared to quarter 4/2021.

For the year 2022, there was a profit of 65.24 million baht, an increase of 2.42 million baht, or +4%, due to the continued improvement in operating results in line with the target.

6. Financial position

As of December 31, 2022, the group had total assets of 481.61 million baht, a decrease of 26.99 million baht from the end of 2021, or -5%, mainly from cash and investment decrease of 41.1 million baht from dividend payment and from the shareholding restructuring of the company to be listed on the stock market. While there was an increase in intangible assets of 13.3 million baht from computer programs for BVG's customer service, namely AI Review and AI Estimate.

Total liabilities were 115.09 million baht, which is a decrease of 9.37 million baht, or -8%, mainly from a decrease in advance claim payables of 14.75 million baht from the beginning of the year, the amount was 34.76 million baht, with 20.14 million baht remaining, but an increase accrued from the seasonal staff expenses.

Shareholders' equity was 366.52 million baht, which is a decrease of 17.62 million baht, or -5%. In the year 2022, the company had a profit after tax of 54.0 million baht and a dividend payment of 72.72 million baht was approved.

Please be informed accordingly.

Yours sincerely,

(Mrs. Nawarat Wongthitirat)
Chief Executive Officer