

## Management Discussion and Analysis for the Year 2022

### Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the year 2022 compared to the prior year are as follows;

For the year 2022 the Group reported total revenues (excluded other income) at THB 620.5 million, increased by THB 23.0 million or 3.9% when compared to the prior year. It increased from providing marketing communications service on online gaming platforms and e-sports competitions of subsidiaries that invested in early 2022.

Operating profit amounted to 44.8 million baht, but due to a loss from *Investments in equity securities*<sup>1</sup> of listed companies in the amount of 139.7 million baht. Which can be divided into loss on disposal of investment in the amount of 40.7 million baht and loss on changes in the value of 98.9 million baht and set aside allowance for total assets of 20.8 million baht, including allowance for impairment of investment 9.0 million baht, allowance of impairment of digital assets 10.0 million baht, allowance for obsolete inventory 1.4 million , and allowance for loss on business. Expected credit of 0.4 million baht , causing the overall performance of the year 2022 to be a loss, which the overall performance of the company Net loss of 116.2 million baht, an increase of 171.9 million baht or 308.7% .

#### Investments in Equity Securities<sup>1</sup>

Based on the Group’s investment policy, approved by the Board of Directors Meeting No.13/2021 and No.6/2022 held on November 10, 2021 and August 15, 2022 respectively focusing on the Group’s cash management and placing importance on the balance between the ‘risk of investment’ and ‘return on investment’ under the acceptable risk. In order for the Company to receive the appropriate gains and maintain sufficient liquidity to be converted into cash if need be. The investments can be classified into 3 types: (1) Investments in Private Funds, (2) Investments in Self-Managed Securities, and (3) Investments in Bank Deposits and/or Government Bonds and/or Debentures with a rating no lower than BBB+ and/or other debt instruments as specified by the Investment Committee of the Group under the investment framework approved by the Board of Directors.

- Investments in equity securities of listed companies as of 31 December 2022 amounting to 234.5 million baht, derived from investments in the common shares of listed companies. The buying and selling (trading) which has been reviewed by the Investment Committee are not considered an asset acquisition of the Company.
- Investments in equity securities of non-listed companies as of 31 December 2022 amounting to 175 million baht, investments in the ordinary shares of Hinsitsu (Thailand) Public Company Limited approved by the Board of Directors Meeting No. 11/2021, which is considered an asset acquisition of the company. The Company has published information of this acquisition to the Stock Exchange of Thailand on September 30, 2021.

Referencing to Inno Hub Company Limited’s (Group Subsidiary) investment in Phygital Space Development Company Limited on April 5th, 2022, holding 49 percent of the total registered capital and appointing 3 directors out of 5 directors. Resulting in the subsidiary having the authority to control and influence the policies resulting in Phygital Space Development Co., Ltd becoming a subsidiary of the Company Group which is listed on The Stock Exchange of Thailand. Consequently, this causes a lack of flexibility in business operations as Phygital Space Development operates as a platform provider, providing services related to Games and Electronic Sports (Esports) tournaments in which digital assets are used in the ecosystem of the platform.

Therefore, in the Board of Directors' Meeting No.2/2023 on February 17, 2023, reviewed and approved the plan for the disposition of investment in ordinary shares of Phygital Space Development Co., Ltd, including the reduction in the number of directors from the Group/Subsidiary from the original 3 directors to only 2 directors.

## Revenues

The structure of revenues for the year ended 31 December 2022 and 2021 are as follows;

<i>Unit: THB million</i>	<b>Y2022</b>	<b>Y2021</b>	<b>% Change</b>
<b>1. Revenue from sales and contract work</b>	<b>20.1</b>	<b>37.2</b>	<b>-45.9%</b>
1.1 Sales and Turnkey Total Solutions	20.1	37.2	-45.9%
<b>2. Revenue from services</b>	<b>540.3</b>	<b>560.2</b>	<b>-3.6%</b>
2.1 Fully Outsourced Contact Center Management Service	387.7	368.3	5.3%
2.2 Outsourced Contact Center Facility	22.3	25.8	-13.4%
2.3 Outsourced Customer Service Representative	121.0	149.7	-19.2%
2.4 Maintenance Service	9.3	16.4	-43.3%
<b>3. Other</b>	<b>60.0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>620.4</b>	<b>597.4</b>	<b>3.9%</b>

### 1. Revenue from sales and from contract work

Total sales and turnkey solutions generated revenue of THB 20.1 million in this year, decreased by THB 17.1 million or 45.9% when compared to the prior year decreased from the Government and State enterprise customer and Private sector's customer.

### 2. Revenue from services

Revenue from services for this year was totally at THB 540.3 million, decreased by THB 19.9 million or 3.6% when compared to the prior year. The details are as follows;

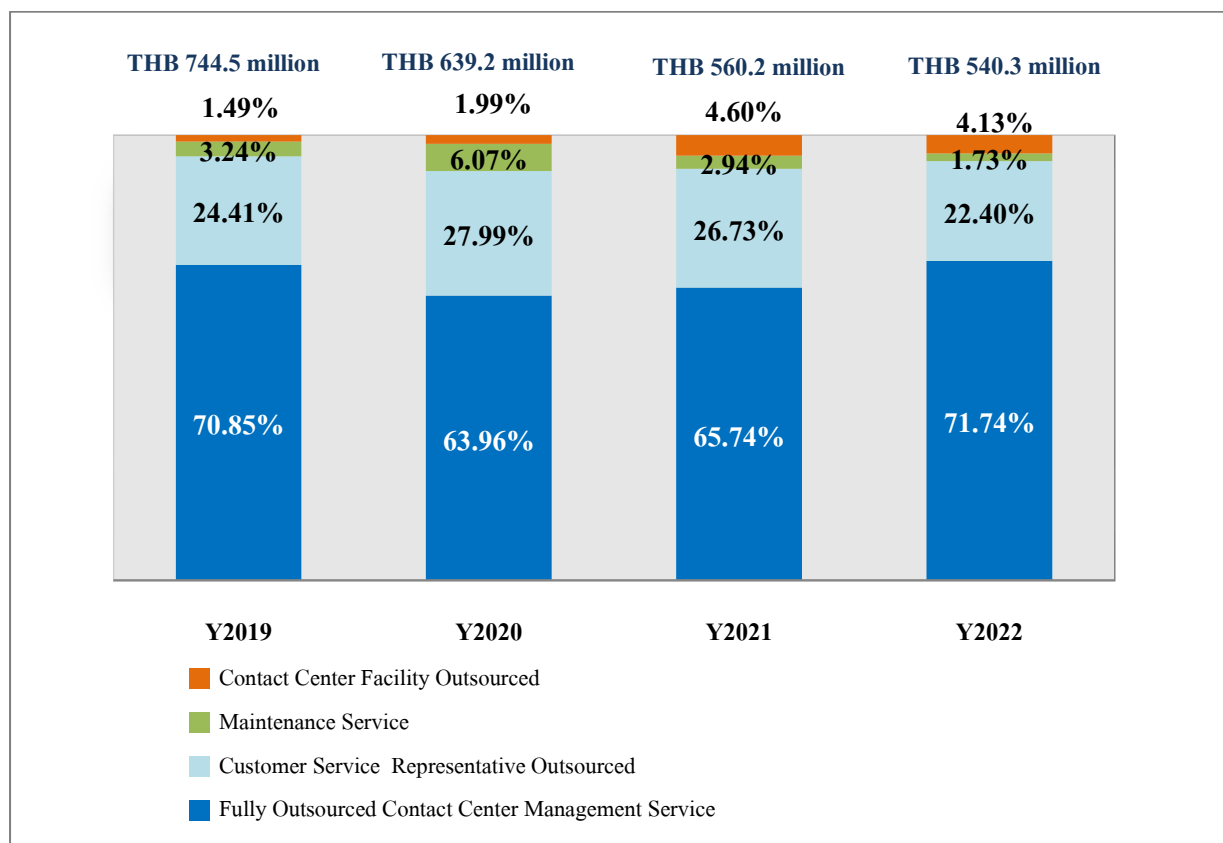
**2.1 Revenue from Fully Outsourced Contact Center Management Service** for this year was THB 387.7 million, increased by THB 19.4 million or 5.3% when compared to the prior year. It was mainly increased from the Private sector's customer in the airline business and retail segment.

**2.2 Revenue from Contact Center Facility Outsourced** for this year was THB 22.3 million, decreased by THB 3.4 million or 13.4% when compared to the prior year. It was mainly decreased from Private sector's customer.

**2.3 Revenue from Customer Service Representative Outsourced** for this year was THB 121.0 million, decreased by THB 28.7 million or 19.2% when compared to the prior year. It mainly decreased by the Government and State enterprise customer.

**2.4 Revenue from Maintenance Service** for this year was THB 9.3 million, decreased by THB 7.1 million or 43.3% when compared to the prior year. It mainly decreased by the Government and State enterprise customer.

## The structure of revenue from services



### 3. Revenue from other segment

Revenue from the new company, Phygital Space Development Company Limited (PSD), which operates business in providing a gaming platform for gamers and owning esports teams to participate in Esports tournaments and all aspects of Esports. The total service income was 60 million baht, divided into 45.9 million baht from gaming tournaments, 11.8 million baht from sponsorships, and revenue from platform and media services.

#### Gross Profit

For this year, gross profit margin of the Group was reported at THB 107.5 million and gross profit margin to revenues was at 17.3%, a slight decrease from the year 2021 with a gross profit margin of 18.1%.

#### Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for this year, totally at THB 260.5 million, increased from the prior year by THB 147.8 million or 131.0%. This was a result of losses from investment in listed company's equities. And set aside provisions for various impairment.

#### Net Profit

The Group reported Net loss for the year 2022 at THB 116.2 million, increased by THB 171.9 million or 308.7%. when compared to the same period of prior year. This was a result of losses from investment in listed company's equities. And set aside provisions for various impairment.

## Financial Position

### Total assets

As at 31 December 2022, the Group reported total assets at THB 979.4 million, decreased by THB 23.6 million or 2.4% when compared to the end of the prior year. It was mainly decreased from other current financial assets.

### Total liabilities

As at 31 December 2022 the Group reported total liabilities at THB 142.2 million, increased by THB 43.5 million or 44.0% when compared to the end of prior year. It was mainly increased from current liabilities in terms of trade and other payables.

### Financial ratio

The Group reported financial ratio as at 31 December 2022 as follows;

Financial ratio	Y2022	Y2021
Liquidity (times)	5.03	9.99
Debt to Equity (times)	0.17	0.11
Return on Equity (%)	-13.30%	7.59%
Return on Assets (%)	-11.68%	6.55%
Gross Profit Margin (%)	17.32%	18.13%
EBIT Margin (%)	21.87%	10.70%
Net Profit Margin (%)	-18.24%	8.47%

Yours faithfully,

(Mr. Kanawuthi Wattanadhirach)

Chairman of Executive Committee and Chief Executive Officer