

May 10, 2023

Subject: Management discussion and analysis of three-month operating result ending on March 31, 2023

To: The President of the Stock Exchange of Thailand

Matching Maximize Solution Public Company Limited (the Company) would like to report the three-month operating results ending on March 31, 2023, which were reviewed by a certified public accountant. In the consolidated financial statement for the period, the parent company booked a net loss of 6.29 million baht, representing a smaller net loss by 5.07 million baht or 44.63% on a year-on-year basis compared to the net loss of 11.36 million baht reported for 1Q22. The details are as follows.

(Million Baht)

Profit and loss statement	1Q23	1Q22	Changes	
	Amount	Amount	Amount	%
Equipment rental service revenue	75.75	77.26	(1.51)	-1.95%
Studio rental service revenue	10.95	5.61	5.34	95.19%
Content service revenue	16.77	7.24	9.53	131.63%
Sales revenue	0.92	0.94	(0.02)	-2.13%
Total revenue	104.39	91.05	13.34	14.65%
Total cost	77.01	73.52	3.49	4.75%
Gross profit margin	27.38	17.53	9.85	56.19%
SG&A expenses	31.04	26.43	4.61	17.44%
Financial expenses	2.89	2.48	0.41	16.53%
Total expenses	33.93	28.91	5.02	17.36%
Profit (loss) before revenue and other expenses	(6.55)	(11.38)	4.83	-42.44%
Other revenue	0.43	0.19	0.24	126.32%
Before tax profit (loss)	(6.12)	(11.19)	5.07	-45.31%
Corporate income tax	(0.17)	(0.17)	-	0.00%
Net profit (loss)	(6.29)	(11.36)	5.07	-44.63%

In the first quarter of 2023, the Company marked the total revenue at 104.39 million baht, up 13.34 million baht or an increase of 14.65% on a year-on-year basis versus the revenue of 91.05 million baht reported in 1Q22. The details are discussed below.

The equipment rental service revenue in 1Q23 marked at 75.75 million baht, down by 1.51 million baht or down 1.95% on a year-on-year basis from 77.26 million baht reported for 1Q22.

The studio rental service revenue in the first quarter this year was reported at 10.95 million baht, up 5.34 million baht or an increase of 95.19% on a year-on-year basis compared to the revenue of 5.61 million baht in the same period of the previous year due to the increase in number of foreign clients coming to use the Company's studio rental services.

The content service revenue in 1Q23 marked at 16.77 million baht, increasing 9.53 million baht or up by 131.63% on a year-on-year basis versus the revenue of 7.24 million baht reported for 1Q22. The increase was on the back of increasing volume of content production service provided for the clients (services for production of dramas and TV programs).

The gross profit in 1Q23 stood at 27.38 million baht, increasing by 9.85 million baht or up by 56.19% YoY versus the gross profit of 17.53 million baht reported in 1Q22. This jump in the gross profit was made possible by the increase in studio rental service business, which mostly contained fixed cost (i.e., depreciation cost), and the increase in volume of content production services.

The SG&A expenses in 1Q23 amounted to 31.04 million baht, rising by 4.61 million baht or an increase of 17.44% from the figure reported in 1Q22. The increase was due to rising marketing and personnel expenses aimed at boosting sales.

The financial expenses in the first quarter of 2023 increased by 0.41 million baht or up 16.53% YoY compared to the same period of the previous year to 2.89 million baht due to the increase in the interest rate.

Financial position

As of March 31, 2023:

- The Company's assets totaled 1,557.79 million baht. The major assets consisted of the cash and cash equivalent at 45.20 million baht; the account receivables and other receivables at 87.71 million baht; the inventories at 12.29 million baht; the income tax withheld at source at 29.04 million baht; the land plant and equipment at 1,153.42 million baht; the assets for rent at 179.10 million baht; and the deferred tax assets at 32.19 million baht. Overall, the total assets increased by 20.37 million baht or an increase of 1.32% YoY compared to the figure reported as of December 31, 2022. The increase was due to the increase in cash and cash equivalent by 14.61 million baht, the rise in account receivables by 12.75 million in line with the increase in revenue. In addition, the investment in plant and equipment increased by 0.70 million baht. The intangible assets marked at 0.61 million baht. The assets for rent were equivalent to 10.42 million baht. The depreciation was equivalent to 19.15 million baht.
- The Company's total liabilities amounted to 307.24 million baht, increasing by 26.67 million baht or an increase of 9.51% compared to the figure reported as of December 31, 2022. The key liabilities consisted of the account payables and other payables at 69.53 million baht; the current portion of long-term loans from financial institutions at 40.10 million baht; the current portion of financial lease liabilities at 3.22 million baht; the short-term loans from financial institutions at 19.00 million baht; the long-term loans from financial institutions at 135.53 million baht; the financial lease liabilities at 9.30 million; and the employee benefit obligations at 19.29 million baht. The payables and payables for asset purchases increased, which were normal in business operation.
- The shareholders' equity declined by 6.30 million baht or a drop of 0.50% to 1,250.55 million baht compared to the figure reported as of December 31, 2022. The debt to equity ratio (D/E ratio) stood at 0.25 time and the current ratio marked at 1.22 times.

Cash flows

In the first quarter of 2023, the Company booked a net cash flow received from operating activities at the amount of 24.84 million baht. The cash flow used for investing activities amounted to 9.21 million baht – most of which was used for purchase of assets for rent and investment in the property and equipment. The net cash flow used for funding activities stood at 1.02 million baht –most of which was

used for repayment of loans to the bank. Hence, the total net cash flow increased by 14.61 million baht. Therefore, the cash flows at the end of the period amounted to 45.21 million baht.

Yours sincerely,

Matching Maximize Solution Public Company Limited

(Mr. Chayanont Ulit)

Chief Executive Officer