

May 11, 2023

Subject: Management Discussion and Analysis for the Q1/2023

President

The Stock Exchange of Thailand

In Q1/2023, the company's service revenue of Baht 125.3 million, which was higher than Q1/2022 by 20% and higher than Q4/2022 by 8%, Due to the city's reopening in the second half of 2022, causing economic activities to continuously expand, which resulted in an increase in the number of companies using the system. The company's net profit was Baht 17.4 million, higher than Q4/2022 and Q1/2022 by 94% and 53%, respectively.

### Operating results for the Q1/2023

(Thousand baht)

Consolidate	3 Months				
	Q1/2023	Q4/2022	%QoQ	Q1/2022	%YoY
Revenue from services	125,289	115,745	8%	104,438	20%
<i>BVG</i>	50,272	50,204	0%	42,419	19%
<i>BVTPA</i>	66,907	58,639	14%	55,742	20%
<i>BVA &amp; BVTECH</i>	8,110	6,901	18%	6,277	29%
Costs of services	54,541	55,529	-2%	48,134	13%
<i>BVG</i>	27,265	30,218	-10%	23,989	14%
<i>BVTPA</i>	20,795	20,181	3%	18,921	10%
<i>BVA &amp; BVTECH</i>	6,482	5,130	26%	5,223	24%
Gross profit	70,748	60,216	17%	56,304	26%
Administrative expenses	49,526	47,898	3%	42,723	16%
Operation profit	21,222	12,318	72%	13,581	56%
Other income(expenses)	768	(806)	-195%	992	-23%
Profit before tax	21,989	11,513	91%	14,573	51%
Net Profit	17,375	8,962	94%	11,382	53%

Consolidate	31/3/2023	31/12/2022	% +/-
Total assets	892,538	481,607	85%
Total liabilities	173,561	115,085	51%
Shareholders' equity	718,976	366,522	96%

#### 1. Revenue from services

In Q1/2023, revenue was Baht 125.3 million, an increase from Q4/2022 in the amount of Baht 9.5 million or +8% and an increase in revenue of Baht 20.9 million or +20% compared to Q1/2022 due to an increase in revenue from TPA and EMCS services.

- BVG: The Motor insurance-related business management platform and application services ("EMCS system") revenue was Baht 50.3 million, the same level as Q4/2022, but revenue increased by Baht 7.9 million, representing +19% compared to Q1/2022 from the increase in service revenue using AI system. In addition, revenue is also added from Claim settlement and Claim notification, which are the conventional products, with the number of services increasing due to the factor of returning to use the car on the road, coupled with the growth of the automobile market and the increase in new customers.
- -BVTPA: revenue of Baht 66.9 million divided into revenue from TPA services Baht 59.1 million and revenue from training and other services Baht 7.8 million, or 88:12 including related advice through platforms and applications ("TPA Services"), which is increased by Baht 7.7 million, representing +15% compared to the Q4 /2022 and an increased by Baht 12.3 million, representing +26% compared to the Q1/2022 from the volume of claims provision services for insurance companies and general corporate customers that manage employee welfare by themselves (Self-Insured) increase.
- -BVA&BVTECH: Revenue of Baht 8.1 million, an increase of Baht 1.2 million, representing +18% compared to Q4/2022, and an increase of Baht 1.8 million, representing +29% compared to Q1/2022, with an increase in revenue from Actuarial Consulting According to Accounting Standard No. 19 on Employee Benefits and Financial Reporting Standard No. 17 on Insurance Contracts (TFRS 17).

## **2. Cost of Services**

Q1/2023 had costs of Baht 54.5 million, a decrease of Baht 1.0 million from Q4/2022, representing -2%, because in Q4 /2022 there were seasonal expenses related to employees that will be recorded at the end of the year. However, in Q1/2023, there was an annual salary adjustment for employees, and the cost of providing AI services grew in line with rising income. As a result, the cost in Q1/2023 was slightly lower than the cost in Q4/2022.

However, the cost of Q1/2023 is higher than Q1/2022 in the amount of Baht 6.4 million, representing +13%, mainly due to the annual salary adjustment for employees and the cost of providing AI services, which grew in line with the aforementioned revenue.

## **3. Gross profit**

The company had a gross profit of Baht 70.7 million in Q1/2023, which is an increase of Baht 10.5 million or +17% from Q4/2022, which was an increase of Baht 14.4 million or +26% compared to Q1/2022, due to the continued improvement in operating results in line with the target.

## **4. Administrative expenses**

Q1/2023 had expenses of Baht 49.5 million, an increase from Q4/2022 of Baht,1.6 million representing +3% from the annual salary adjustment, and an increase of Baht 6.8 million, representing +16%

compared to Q1/2022 because in Q1/2022, we are still in the process of recruiting necessary personnel for some positions to support the listing company in the stock market, compared to Q1/2023 where recruitment has been completed at full capacity.

## **5. Operating profit and net profit**

The company had an operating profit of Baht 21.2 million in Q1/2023, which is an increase of Baht 8.9 million or +72% from Q4/2022, which was an increase of Baht 7.6 million or +56% compared to Q1/2022.

The company had a net profit of Baht 17.4 million in Q1/2023, which is an increase of Baht 8.4 million or +94% from Q4/2022, which was an increase of Baht 6.0 million or +53% compared to Q1/2022, due to the continued improvement in operating results in line with the target.

## **6. Financial position**

As of March 31, 2023, the Group had total assets of Baht 892.5 million, an increase of Baht 410.9 million from the end of 2022, representing +85%. The main item is from:

- Cash and investments increased by Baht 370.4 million from the sale of IPO shares, which received Baht 346.5 million, which the Company invested in future projects and working capital. In addition, there is an increase from receiving advance payments for compensation to prepare to pay to the hospital when the insured comes for medical treatment.
- Invest in servers to support customer services and the internal systems of BVG and BVTPA, totaling Baht 11.1 million.
- An increase in intangible assets of Baht 6.2 million, mainly from the development of computer programs for serving BVG's customers, namely AI Review and AI Estimate.

Total liabilities of Baht 173.5 million increased by Baht 58.5 million, representing +51%. Main items were due to an increase in advances for claims payment of Baht 39.9 million, as well as an increase in other payables and other current liabilities of Baht 14.1 million, including payable from the purchase of servers and other accrued expenses.

Shareholders' equity of Baht 719.0 million increased by Baht 352.5 million, or +96%, due to the IPO of 90 million shares mentioned above and operating profit of Baht 17.4 million.

Please be informed accordingly.

Yours sincerely,

(Mrs. Nawarat Wongthitirat)  
Chief Executive Officer