

11 May 2023

Subject: Management's Discussion and Analysis for three months ended 31 March 2023

To President
The Stock Exchange of Thailand

Dexon Technology Public Company Limited and its subsidiaries (the "Company") would like to clarify the Management's Discussion and Analysis for three months ended 31 March 2023 as follows:

Revenue Structure	3M ended 31 March 2022		3M ended 31 March 2023	
	Million Baht	%	Million Baht	%
Revenue from Service				
1. Advance Inspection Technology				
- Advance Non-Destructive Testing (NDT)	55.42	52.78	59.33	40.78
- Advanced Inline Inspection Services (ILI)	22.81	21.73	34.43	23.67
- Research and Development Innovation	2.00	1.90	19.15	13.16
Total Revenue from Advance Inspection Technology	80.23	76.41	112.91	77.6
2. Conventional Inspection Technology	20.10	19.14	25.25	17.35
3. Training	2.29	2.18	2.59	1.78
4. Engineering design services installation and maintenance	1.69	1.61	3.94	2.71
Total Revenue from Service	104.31	99.33	144.69	99.45
Revenue from Sale	-	-	0.11	0.07
Total Revenue from Sale and Service	104.31	99.33	144.80	99.52
Other income	0.70	0.67	0.69	0.48
Total revenue	105.01	100.00	145.49	100.00

Revenue

For the first 3 months of 2023, the Company's revenue from service equals to 144.69 Million Baht, increased 40.38 Million Baht or increased 38.72% from the same period last year. The important details are as follows:

- Revenue from Advance Non-Destructive Testing increased 3.90 Million Baht or increased 7.05% from the same period last year which was mainly due to the reason that the Company has received more offshore service contracts as customer equipment is subject to inspection to meet standards.

- Revenue from Advance Inline Inspection (ILI) increased 11.62 Million Baht or increased 50.92% from the same period last year because the Company received more work from domestic and foreign clients such as Brunei and Brazil.
- Revenue from Research and Development Innovation increased 17.15 Million Baht or increase 858.21% from the same period last year because the Company has got the continuous research and development project from a domestic customer in petroleum industry.
- Revenue from Conventional Inspection Technology increased 5.15 Million Baht or increased 25.63% from the same period last year since the Company has got the projects from both onshore and offshore customers.
- Revenue from Training increased 0.3 Million Baht or increased 13.17% from the same period last year.
- Revenue from engineering design services installation and maintenance increased 2.26 Million Baht or increased 133.14% from the same period last year which is mainly because the Company received engineering system design work from a customer in the petroleum industry

Cost of Service and Gross Profit

For the first 3 months of 2023, the Company's cost of services equals to 96.83 Million Baht, increased 24.42 Million Baht or increased 33.72% from the same period last year. The Company's gross profit margin was at 33.45%, a slight increase from 31.04% in the same period last year, which was in line with the direction of revenue since major costs of the Company are labour wages and equipment depreciation which are fixed cost, once the Company's revenue increases, gross profit margin increased as well.

Selling and administrative expenses

For the first 3 months of 2023, the Company's selling and administrative expenses equals to 41.74 Million Baht, increased from the same period last year in the amount of 15.31 Million Baht or increased 57.92% due primarily to expenses for the Initial Public Offering such as roadshow expenses, media expenses, first day trading expenses, approximately 7.1 Million Baht.



Net Profit

For the first 3 months of 2023, the Company's net profit equals to 4.09 Million Baht, increased 0.21 Million Baht or increased 5.34% from the same period last year. Net profit margin equals 2.81%. The Company's net profit grew less than the revenue growth due to the Company's expenses from the IPO in the amount of 7.1 Million Baht.

Assets

As of 31 March 2023, the Company's assets equal to 1,159.7 Million Baht, increased 516.65 Million Baht, or increased 80.34% from 31 December 2022 due mainly to an increase in cash received from the Initial Public Offering (IPO).

Liabilities

As of 31 March 2023, the Company's liabilities equal to 345.1 Million Baht, decreased 24.86 Million Baht or decreased 6.72% from 31 December 2022 due mainly to a decrease in dividend payable that has been paid to existing shareholders since February 2023 and repayment some of the principal to the bank.

Equities

As of 31 March 2023, the Company's equities equal to 814.6 Million Baht, increased 541.51 Million Baht or increased 198.29% from 31 December 2022. Total equities increased primarily from an increase in paid up capital and share premium after the Company offered new shares to IPO.

Please be informed accordingly.

Yours sincerely,

Miss Chonnikarn Aranyarat

Chief Financial Officer