

15 August 2023

Subject: Management's Discussion and Analysis for six months ended 30 June 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 six months ended 30 June 2023 as follows:

Revenue Structure	6M ended 30 June 2022		6M ended 30 June 2023	
	Million Baht	%	Million Baht	%
Revenue from Service				
1. Advance Inspection Technology				
- Advance Non-Destructive Testing (NDT)	132.19	50.53	98.93	36.45
- Advanced Inline Inspection Services (ILI)	75.29	28.78	73.02	26.90
- Research and Development Innovation	3.08	1.18	25.43	9.36
Total Revenue from Advance Inspection Technology	210.56	80.49	197.38	72.71
2. Conventional Inspection Technology	41.07	15.70	62.01	22.85
3. Training	4.60	1.76	5.48	2.02
4. Engineering design services installation and maintenance	3.66	1.40	5.64	2.07
Total Revenue from Service	259.89	99.35	270.51	99.65
Revenue from Sale	-	-	0.12	0.05
Total Revenue from Sale and Service	259.89	99.35	270.63	99.70
Other income	1.69	0.65	0.82	0.30
Total revenue	261.58	100.00	271.45	100.00

Revenue

For the first 6 months of 2023, the Company's revenue from service equals to 270.51 Million Baht, increased 10.61 Million Baht or increased 4.08% from the same period of last year. The key significant details are as follows:

- Revenue from Advance Non-Destructive Testing decreased 33.26 Million Baht or decreased 25.16% compared to the same period of last year.
- Revenue from Advance Inline Inspection (ILI) decreased 2.27 Million Baht or decreased 3.02% from the same period last year.

- Revenue from Research and Development Innovation increased 22.35 Million Baht or increase 724.99% from the same period last year because the Company receiving the high value project of Research and development that is continuing from the existing customer in Petroleum industry.
- Revenue from Conventional Inspection Technology increased 20.95 Million Baht or increased 51% from the same period last year.
- Revenue from Training increased 0.88 Million Baht or increased 19.20% from the same period last year from repeated customer that need the training courses from the company.
- Revenue from engineering design services installation and maintenance increased 1.96 Million Baht or increased 53.49% from the same period last year as from the increased more project requirements from customers.

Cost of Service and Gross Profit

For the first 6 months of 2023, the Company's cost of services equals to 203.47 million Baht, increased 49.86 Million Baht or increased 32.46% from the same period last year. However, the Company's gross profit during the first six months of the year was at 25.04%, decreased from 41.28% in the same period last year, because the labour wages, which is the major cost of the Company increased from the business expansion to oversee.

In addition, considering the service type for the first 6 months 2023 compared to last year, it is apparent that the value of Advance Non-Destructive Testing for this year is lower, which this type of service generated high gross profit margin for last year is higher than the value for the first 6 months 2023, resulting in the decrease in overall gross profit margin of the Company.

Selling and administrative expenses

For the first 6 months of 2023, the Company's selling and administrative expenses equals to 85.87 Million Baht, increased from the same period last year in the amount of 19.89 Million Baht or increased 30.14% due primarily to an increase in the expenses related to IPO cost such as Road show expenses, events, media and first day trading.

Net Profit

For the first 6 months of 2023, the Company's net loss equals to 17.89 Million Baht, decreased 59.88 Million Baht or decreased 142.60% from the same period last year. The reason is from the higher cost of service and selling and administrative expenses increase in the higher rate compared to an increase in revenue from service.

Assets

As of 30 June 2023, the Company's assets equal to 973.01 Million Baht, decreased 186.69 Million Baht, or decreased 16.10% from 31 March 2023 due mainly to a decrease in cash because the Company has used the IPO proceeds for working capital and loan repayment.

Liabilities

As of 30 June 2023, the Company's liabilities equal to 178.05 Million Baht, decreased 167.05 Million Baht or decreased 48.41% 31 March 2023 due mainly to a decrease in cash because the Company has used the IPO proceeds for working capital and loan repayment.

Equities

As of 30 June 2023, the Company's equities equal to 794.96 Million Baht, decreased 19.65 Million Baht or decreased 2.41% from 31 March 2023.

Please be informed accordingly.

Yours sincerely,

Ms. Podjana Chayarat
Chief Financial Officer (Acting)