

October 9, 2023

Subject: Management Discussion and Analysis for the 6-month period of 2023, ended 30 June 2023

To: Directors and Managers  
Stock Exchange of Thailand

Sirisoft Public Company Limited and subsidiaries (the "Company") would like to inform the Company's performance for the 6-month period of 2023, ended 30 June 2023, as the following details:

**Statement of comprehensive income**

Unit: THB Million	Consolidated financial statements		Change increase (decrease)	
	for 6-month period of		Amount	Percentage
	2022	2023		
Income from sales and services	213.75	306.05	92.30	43.18
Cost of selling and services	131.80	197.52	65.72	49.86
<b>Gross Profit</b>	<b>81.95</b>	<b>108.54</b>	<b>26.58</b>	<b>32.44</b>
Other income	0.44	0.18	(0.25)	(58.04)
Selling expenses	4.52	8.65	4.12	91.17
Administrative expenses	20.46	39.43	18.97	92.74
Finance costs	01.09	1.55	0.47	43.00
<b>Profit before income tax</b>	<b>56.32</b>	<b>59.09</b>	<b>2.76</b>	<b>4.91</b>
Income tax expenses	7.01	11.75	4.73	67.48
<b>Net profit</b>	<b>49.31</b>	<b>47.34</b>	<b>(1.97)</b>	<b>(3.99)</b>

### Revenue structure

Revenue Structure	Financial Statements for 6-month period of			
	2022		2023	
	THB Million	Percent	THB Million	Percent
<b>Service revenue</b>	<b>142.70</b>	<b>66.62</b>	<b>193.03</b>	<b>63.03</b>
<i>Growth rate (%)</i>	-		35.27	
<b>Selling revenue</b>	<b>71.05</b>	<b>33.17</b>	<b>113.02</b>	<b>36.83</b>
<i>Growth rate (%)</i>	-		59.06	
<b>Total selling and service revenue</b>	<b>213.75</b>	<b>99.80</b>	<b>306.05</b>	<b>99.94</b>
<i>Growth rate (%)</i>	-		43.18	
<b>Other</b>	<b>0.44</b>	<b>0.20</b>	<b>0.18</b>	<b>0.06</b>
<b>Total revenue</b>	<b>214.19</b>	<b>100.00</b>	<b>306.24</b>	<b>100.00</b>

#### **Selling and service revenue**

For 6M2023, the service revenue of the Company was THB 306.05 million increased by THB 92.30 million or equivalent to a growth of 43.18 percent compared to 6M2022, mostly from the growing in the number of implementation project and the recognition of income from the sale of software subscription licenses for both existing and new projects. The increase in selling revenue is a reason from selling software that the company uses to develop system or software.

#### **Cost of selling and service revenue and gross profit**

For 6M2023, the Company's gross profit was THB 108.54 million increased by THB 26.58 million or equivalent to 32.44 percent from 6M2022, mainly due to the growing in revenue from selling and service. The gross profit margin slightly decreased due to ongoing large projects and unrealized profits from installed material, which will be recognized upon completion of installation.

#### **Selling expenses**

For 6M2023, the Company had selling expenses of THB 8.65 million or equivalent to 2.82 percent of total revenue increased by THB 4.12 million or equivalent to a growth of 91.17 percent, mainly due to company's marketing expenses.

#### **Administrative expenses**

For 6M2023, the Company had administrative expenses of THB 39.43 million or equivalent to 12.88 percent of total revenue increased by THB 18.97 million or equivalent to a growth of 92.74 percent. The increase in

administrative expenses was mainly from hiring more staff aimed at improving internal control for the company's IPO preparation. Moreover, the company had expanded office area reason in increase depreciation.

### Net Profit

For 6M2023, the Company had net profit of THB 47.34 million, decreased by THB 1.97 million or equivalent to 3.99 percent, mainly due to the expansion of the office area which caused an increase in depreciation and an increase in staff expense. Additionally, the company has a professional fee due to preparation of listing in the stock market.

### Statement of Financial Position

(Unit: THB Million)	As of	As of	Change increase (decrease)	
	31 December	30 June	Amount	Amount
	2022	2023		
Total Assets	311.46	442.91	131.45	42.20
Total Liabilities	241.07	340.03	98.96	41.05
Total Shareholders' equity	70.39	102.88	32.49	46.16

### Assets

As of 30 June 2023, the Company had total assets of THB 442.91 million which increased by THB 131.45 million or equivalent to a growth of 42.20 percent compared to 31 December 2022, due to:

1. Right-of-use assets increased by THB 14.20 million or equivalent to a growth of 23.51 due to the expansion of office area.
2. Contract assets (Revenue increased from service provided to customers before the customer paid consideration or before the requirements for billing) increased by THB 79.77 million or equivalent to a growth of 799.71 percent which corresponds to the increase in service income.

### Liabilities

As of 30 June 2023, the Company had total liabilities of THB 340.03 million which increased by THB 98.96 million or equivalent to a growth of 41.05 percent compared to 31 December 2022, due to:

1. Lease liabilities increased by 13.79 million or equivalent to a growth of 23.30% due to the expansion of the office area.
2. Trade and other payables increased by 67.85 million or equivalent to a growth of 105.01% due to the normal operation of the company, which involves purchasing software and recording the cost of sales and services gradually as they are utilized.

3. Contract liability increased by 9.96 million or equivalent to a growth of 10.30% due to the increase in the number of on-going projects being serviced to customers.

### Shareholders' equity

As of 30 June 2023, the Company had total shareholders' equity of THB 102.99 million which increase by THB 32.49 million or equivalent to a growth of 46.16 percent compared to 31 December 2022. This increase was attributed to a net profit of 47.34 million baht and additional capital injection of 30.00 million baht, totaling 80.00 million baht. The registered capital paid was 60.00 million baht, along with the dividend payment from the year ended 2565 of 33.30 million baht and interim dividend payment for the three-month period ending March 31, 2566, totaling 11.50 million baht.

### Key Financial Ratios

Financial Ratios	Unit	As of 31 December 2022	As of 30 June 2023
Current ratio	Times	1.18	1.16
Interest bearing debt to equity ratio (IBD/E)	Times	0.84	0.71
Cash cycle	Days	11.07	(38.75)
Return on asset (ROA)	Percent	27.43	25.10
Return on equity (ROE)	Percent	121.87	109.29

#### Current ratio

As of 30 June 2023, the Company's current ratio was 1.16 times which decreased from 31 December 2022.

#### Interest bearing debt to equity ratio (IBD/E)

As of 30 June 2023, the Company's IBD/E was 0.71 times which decreased from 31 December 2022, mainly due to an increase of registered capital from THB 30.00 million to THB 80.00 million.

#### Cash cycle

Cash cycle (days)	As of 31 December 2022	As of 30 June 2023
Average collection period	42.09	22.82
Average repayment period	31.02	61.55
<b>Average Cash Cycle</b>	<b>11.07</b>	<b>(38.75)</b>

As of 30 June 2023, the Company's cash cycle was (38.75) days which decreased from 31 December 2022, mainly due to an increase in trade and other payables from THB 22.20 million to THB 66.61 million. This increase resulted

from the fact that the Company made fewer purchases of software at the end of the year 2022 compared to June 30, 2023.

**Return on asset (ROA)**

As of 30 June 2023, the Company's ROA was 25.10 percent which decreased from 31 December 2022, mainly due to the expansion of office area.

**Return on equity (ROE)**

As of 30 June 2023, the Company's ROE was 109.29 percent which decreased from 31 December 2022 mainly due to increase in capital register from THB 30.00 million to THB 80.00 million. Additionally, it was affected by dividend payments made during the year 2023 and the annual dividend for the year 2022.

Yours sincerely

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(Mr. Sitthikard Auschavaranondha)

Chief Financial Officer

Sirisoft Public Company Limited