

No. 0369-2023

November 13, 2023

Subject : Management Discussion and Analysis for the 3rd quarter ended September 30, 2023

Dear : Managing and Director of the Stock Exchange of Thailand

Performance Summary

Unit: Million Baht

Unit: Million Baht	Consolidated			Separate		
	3Q/2023	3Q/2022	YoY % +/-	3Q/2023	3Q/2022	YoY % +/-
Revenue from service	244.41	228.19	7%	116.05	94.29	23%
Cost of service	(197.56)	(178.75)	11%	(105.38)	(75.31)	40%
Gross profit (loss)	46.85	49.45	(5%)	10.68	18.97	(44%)
Other income	1.87	0.21	791%	5.25	10.86	(52%)
Profit (loss) before expense	48.72	49.66	(2%)	15.92	29.83	(47%)
Distribution expense	(3.36)	(3.91)	(14%)	(1.68)	(1.01)	66%
Administrative expense	(83.33)	(52.31)	59%	(61.90)	(36.27)	71%
Loss on allowance impairment of assets	-	-	0%	(19.85)	-	100%
Provision for litigation cases	(2.11)	-	100%	-	-	0%
Total expense	(88.80)	(56.22)	58%	(83.44)	(37.28)	124%
EBIT	(40.07)	(6.56)	511%	(67.51)	(7.45)	806%
Finance cost	(6.79)	(4.51)	51%	(5.28)	(2.46)	115%
Loss before income tax revenue (expense)	(46.86)	(11.07)	323%	(72.79)	(9.90)	635%
Income tax revenue (expense)	(1.82)	(0.64)	184%	0.13	(0.51)	125%
Profit (loss) for the period	(48.68)	(11.72)	315%	(72.66)	(10.42)	597%
Earnings Per Share (Baht/share)	(0.18)	(0.04)		(0.26)	(0.04)	
Profit (loss) attributable:						
Equity holders of the Company	(51.53)	(11.74)	339%	(72.66)	(10.42)	597%

CMO Public Company Limited (“CMO”) recorded **total revenue from service** in the amount of THB 244.41 million and **net loss** of THB 48.68 million in the consolidated financial statement Quarter 3rd ended September 30, 2023, compared with the same period Quarter 3rd ended September 30, 2022, which had total revenue THB 228.19 million and net loss THB 11.72 million.

The performance in 3Q/2023 compared with 3Q/2022, clarification is explained as the following reasons:

- **Revenue from Service** for 3Q/2023 increased by 7% compared to 3Q/2022, mainly from mainly from the seasonal Events; every year, the third and fourth quarter is a high season for Event Business. Moreover, the group companies got more new customers. Therefore, customers in all industry groups return to organize marketing activities to boost sales at the end of the year.

- **Cost of Service compared with total sales** slightly increased from 78% in 3Q/2022 to 81% in 3Q/2023, mainly from increased cost of goods sold. The cost of services consists of variable and fixed costs. Some costs do not vary in revenue. As for the fixed costs, the production department's salary requires human resources to work from increasing work expansion. As for variable costs, the group of companies still maintains its standards.

- **Selling and Administration Expenses** in 3Q/2023 increased by 58% compared to 3Q/2022, from the organization restructure of CMO Group, financial and Law advisory fees for the capital increasing shares and cut off of the preparation costs which was not organized as planned.

- **Interest Expenses** in 3Q/2023 increased by 51% compared to 3Q/2022, mainly due to interest payments on financial institutions' credit lines and debentures. There was an increased workload, and the customer's credit term was quite long; the Company used a credit line for operations to provide the Company with liquidity. Therefore causing higher financial costs.

For the separate company statement has **total revenue from service** of THB 116.05 million and **net loss** of THB 72.66 million in the separate financial statement Quarter 3rd ended September 30, 2023, compared with the same period in Quarter 3rd ended September 30, 2022, which had revenue from service of THB 94.28 million and net loss THB 10.42 million.

Financial Position



As of September 30, 2023, the Company held total assets of THB 995.54 million, decreasing THB 221.23 million (-18%) from December 31, 2022. The value of accounts receivable decreased due to improved tracking, which reduced the company's liquidity from cash, accounts receivable, and on-the-job work because the work was delivered according to the work schedule.

As of September 30, 2023, the Company held total liabilities of THB 688.25 million, decreasing THB 26.36 million (-4%) from December 31, 2022, due to decrease in trade creditors from payments made according to credit terms and repayment of bank loans as scheduled.

As of September 30, 2023, the Company held total equity of THB 327.29 million, decreasing THB 194.89 million (-37%) from December 31, 2022, due to the net loss in 3Q/2023.

Financial Ratios

	3Q/2023	2Q/2023
Profitability Ratios		
1. Gross Profit margin (%)	19.17	13.00
2. Net Profit margin (%)	(19.92)	(25.7)
Liquidity Ratios		
3. Current Ratio (times)	0.46	0.54
Leverage Ratios		
4. Debt to Equity Ratio (times)	2.12	1.75
Financial Policy Ratios		
5. Net Interest bearing debt to equity (times)	1.18	1.22
6. Debt service coverage ratio (times)	(0.05)	(0.13)

Please be informed accordingly,

Sincerely Yours,

(Mr. Kitisak Jampathipphong)
Chief Executive Officer
CMO Public Company Limited