

13 November 2023

Subject: Management Discussion and Analysis for the period ended 30 September 2023

Attention: President, Stock Exchange of Thailand

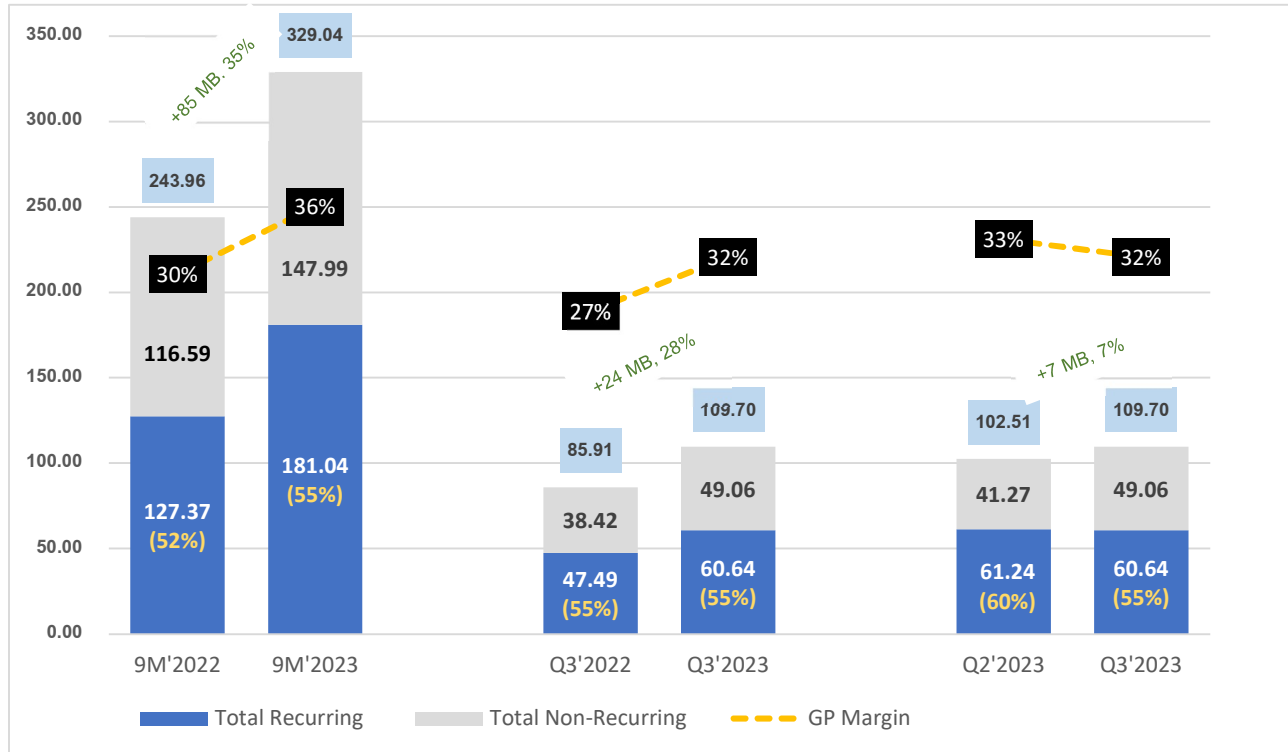
TBN Corporation Public Company Limited and subsidiaries (the "Company") would like to inform the Company's performance for the period ended 30 September 2023, as shown in the following details:

(Unit : Million (Thb))

	9M		Change		3M		Change		3M		Change	
	9M'2023	9M'2022	YTD	%	Q3'2023	Q3'2022	YoY	%	Q3'2023	Q2'2023	QoQ	%
Service income	329.04	243.96	85.08	35%	109.70	85.91	23.79	28%	109.70	102.51	7.18	7%
Cost services	(211.36)	(170.53)	(40.84)	24%	(75.12)	(62.70)	(12.41)	20%	(75.12)	(68.64)	(6.47)	9%
Gross profit	117.67	73.43	44.24	60%	34.58	23.21	11.37	49%	34.58	33.87	0.71	2%
Other income	1.78	1.35	0.43	32%	0.77	1.00	(0.22)	-22%	0.77	0.12	0.66	557%
SG&A expenses	(47.46)	(40.66)	(6.80)	17%	(14.38)	(15.15)	0.77	-5%	(14.38)	(17.38)	3.01	-17%
Finance costs	(2.85)	(0.87)	(1.98)	228%	(0.72)	(0.28)	(0.44)	153%	(0.72)	(1.11)	0.39	-35%
EBT	69.14	33.26	35.88	108%	20.26	8.77	11.48	131%	20.26	15.49	4.76	31%
Tax expense	(13.14)	(6.74)	(6.40)	95%	(2.63)	(1.61)	(1.03)	64%	(2.63)	(3.09)	0.46	-15%
Net profit	56.01	26.52	29.49	111%	17.62	7.17	10.46	146%	17.62	12.40	5.22	42%

1. Total Revenue and Gross Margin

Unit: Million (Thb)

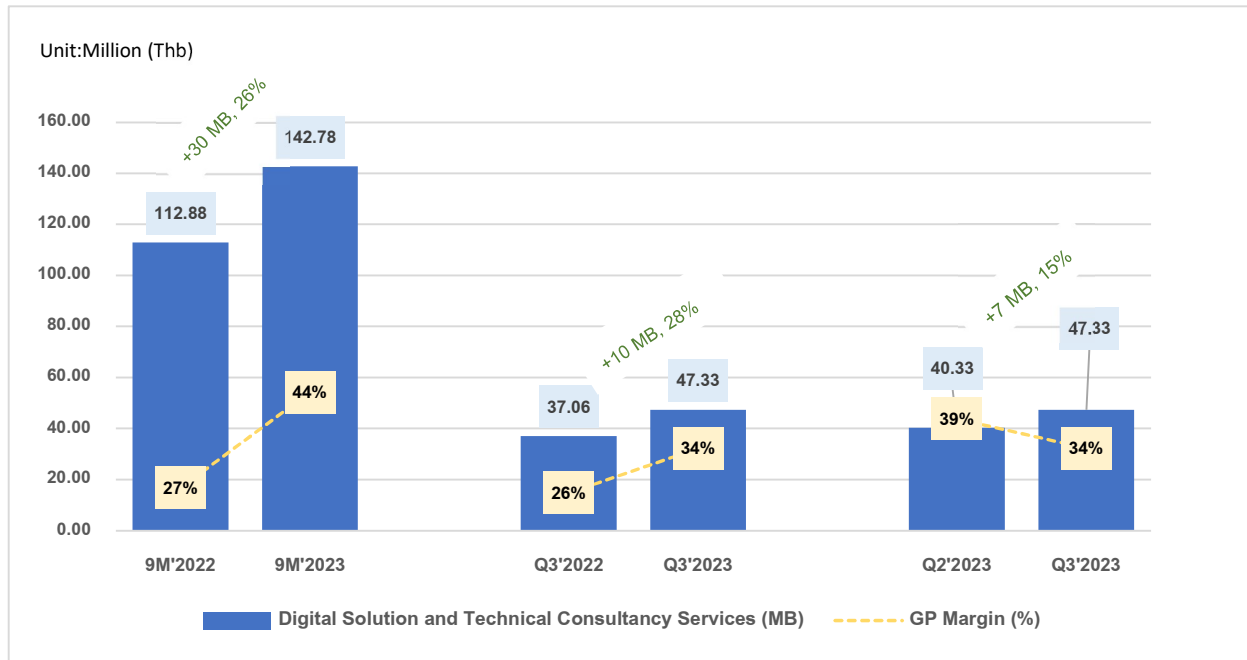


The company has experienced consistent growth in both total revenue and gross margin when compared to the same period of 2022. Although the gross profit margin of Q3'2023 decreased from Q2'2023, the change was not significant. In 9M 2023, recurring income accounted for 55% of the total income.

Revenue breakdown by service type is as below:

	9M				3M				3M			
	9M'2023	9M'2022	YTD	%	Q3'2023	Q3'2022	YoY	%	Q3'2023	Q2'2023	QoQ	%
1. Digital Solution and Technical Consultancy Services	142.78	112.88	29.90	26%	47.33	37.06	10.26	28%	47.33	40.33	6.99	15%
2. Technical Maintenance, Licensing and Cloud Services	181.04	127.37	53.67	42%	60.64	47.49	13.15	28%	60.64	61.24	-0.60	-1%
3. Other	5.22	3.71	1.51	41%	1.73	1.36	0.37	27%	1.73	0.93	0.79	46%
Total	329.04	243.96	85.08	35%	109.70	85.91	23.79	28%	109.70	102.51	7.18	7%

1.1. Revenue from the Digital Solution and Technical Consultancy Services and Gross Margin



Revenue from the Digital Solution and Technical Consultancy Services

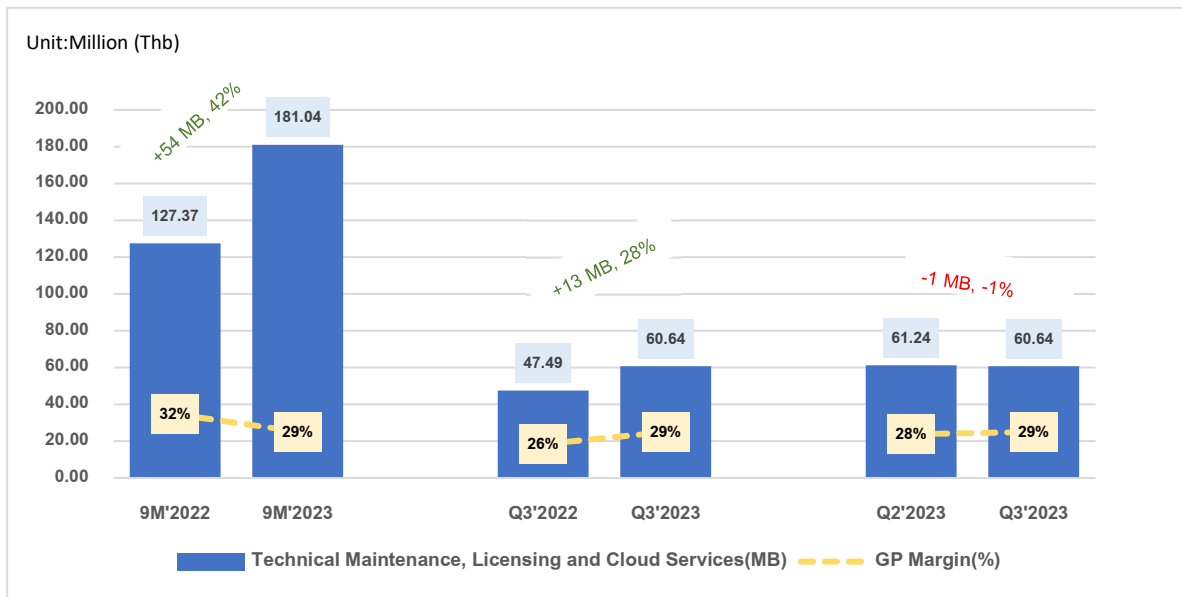
The company has experienced consistent growth in revenue from digital solutions and technical consultancy services compared to the same period of 2022. This growth is a result of an increase in projects from both existing and new customers for the 9-month period ending on September 30, 2023, compared to the same period last year. The company added approximately 50 new projects and acquired 14 new customers.

Gross Margin from the Digital Solution and Technical Consultancy Services

For the 9-month and 3-month periods ended 30 September 2023, the Company achieved gross margins of 44% and 34%, or an increase of 17% and 8%, respectively, compared to the same period of 2022. The reason being most of our projects comes from repeat engagements from existing customers, whereby the team has expertise, enabling effective cost efficiency.

For Q3'2023, the Company's gross profit margin was 34%, which decreased by 5% compared to Q2'2023 due to rising outsourcing costs and employee costs.

1.2 Revenue from Technical Maintenance, Licensing and Cloud Services and Gross Margin (Recurring Income)



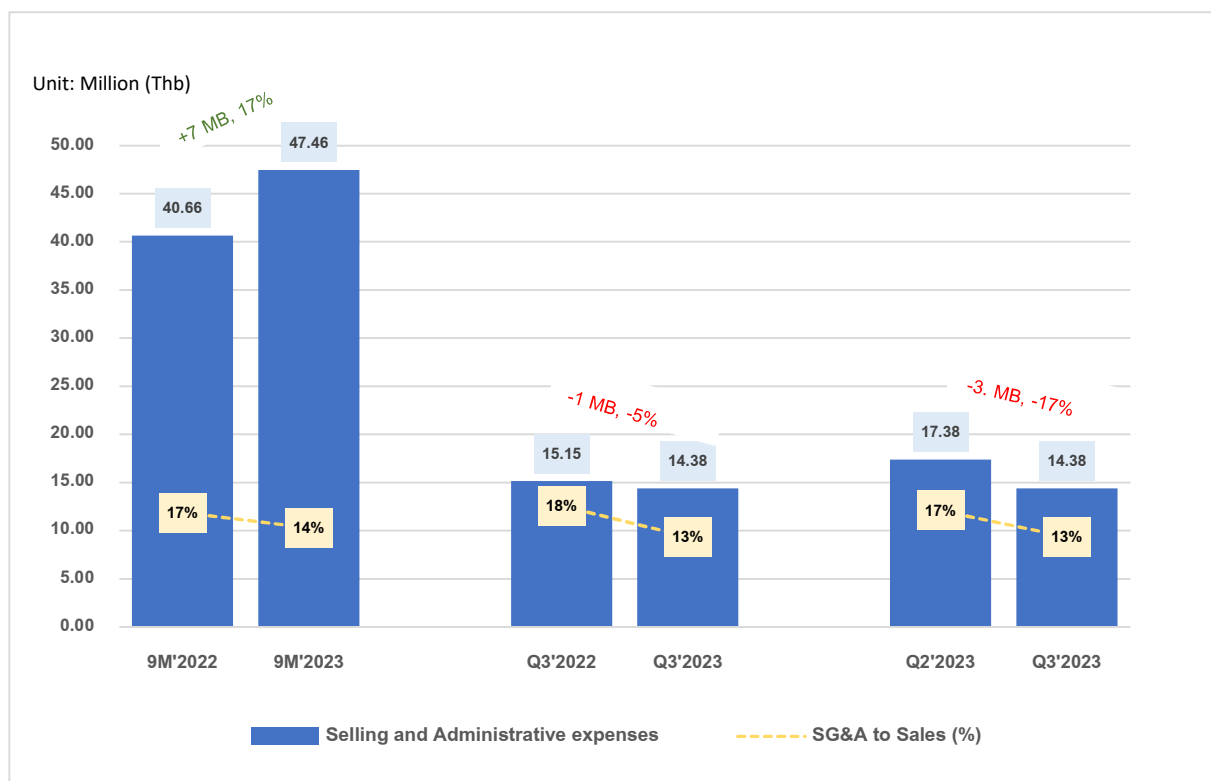
Revenue from Technical Maintenance, Licensing and Cloud Services

For the 9-month and 3-month periods ended 30 September 2023, compared to the same period of 2022, the Company's revenue increased by Baht 54 million and Baht 13 million, respectively, representing growth rates of 42% and 28%. This increase in revenue from licensing and maintenance is aligned with the growth in revenue from digital solutions and technical consultancy services. Furthermore, revenue from cloud services has also increased, driven by new customers and increased usage of cloud services by existing customers. As for Q3'2023 compared to Q2'2023, there was no significant change in the company's revenue.

Gross profit from Technical Maintenance, Licensing and Cloud Services

The company's gross profit had no significant change, with the average gross margin of around 29% for 2023.

2. Selling and administrative expenses and the ratio of selling and administrative expenses to sales



Selling and administrative expenses

For the 9-month ended 30 September 2023, the Company had selling and administrative expenses of Baht 47 million representing an increase of Baht 7 million or an increase of 17% compared to the same period of last year. The increase comes from 1.) Higher employee expenses due to the hiring of more executives, sales staff, and support staff. 2.) Marketing expenses related to the initial public offering (IPO), totaling approximately Baht 1.20 million. 3.) Depreciation of right-of-use assets as the Company relocated to accommodate a larger workforce, resulting in higher rental rates.

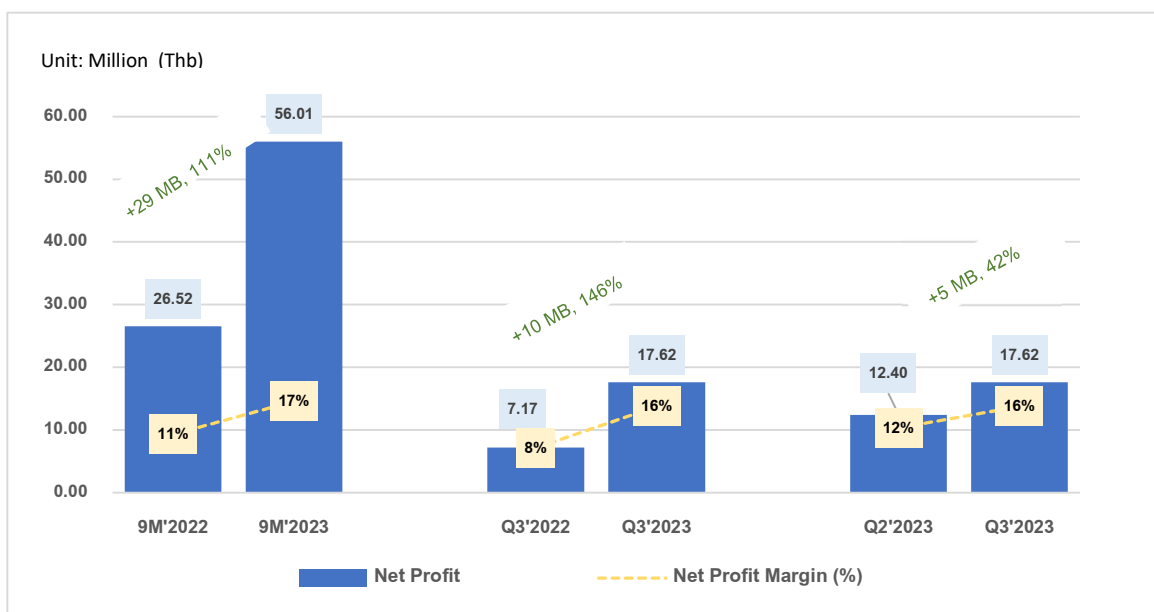
For the 3-month ended 30 September 2023, compared to the same period of last year, there was insignificant change in the company's selling and administrative expenses.

For Q3'2023, the Company had selling and administrative expenses of Baht 14 million, representing a decrease of Baht 3 million or 17% compared to Q2'2023, This decrease is a result of payment from long-term overdue receivables, resulting in a reduction in expected credit losses.

Selling and administrative expenses to sales ratio (SG&A to Sales)

The Company's ratio of selling and administrative expenses to sales is on a decreasing trend, which is a positive indicator, as the Company can increase sales more than growth in selling and administrative expenses.

3. Net profit and net profit margin



Net profit and net profit margin

The Company's net profit and net profit margin both increased because of the improved ability to control costs of services and selling and administrative expenses. Additionally, income tax expenses were reduced due to receiving tax benefits from BOI, resulting in savings of Baht 1.84 million during this period.

Statement of Financial Position

(Unit: THB Million)	As of 30 September	As of 31 December	Change increase (decrease)	
	2023	2022	Amount	%
Total Assets	652.89	270.59	382.30	141%
Total Liabilities	166.92	193.84	-26.92	-14%
Total Shareholders' equity	485.97	76.75	409.22	533%

Assets

As of 30 September 2023, the Company had total assets of Baht 652.89 million which increased by Baht 382.30 million or equivalent to a growth of 141% compared to 31 December 2022, due to:

1. Cash and cash equivalents increased by Baht 248 million or equivalent to a growth of 806% from receiving funds from the initial public offering (IPO).
2. Short-term investments increased by Baht 90.17 million, as the Company invested in highly liquid and low-risk money market funds during the period.
3. Contract assets (accrued income) increased by Baht 20.61 million or equivalent to a growth of 21%, which corresponds to the increase in service income.
4. Trade and other accounts receivable increased by Baht 24 million or equivalent to a growth of 41%, which corresponds to an increase in service income. The aging of most trade accounts receivable is in the group that has not yet matured. Accounts receivable that are overdue for more than 3 months but not more than 1 year, amounting to Baht 2 million, are expected to be received in Q4 2023. Accounts receivable overdue for more than 12 months, amounting to Baht 1.61 million, are currently in the process of following up closely to collect debts.

Liabilities

As of 30 September 2023, the Company had total liabilities of Baht 166.92 million, which decreased by Baht 26.92 million or 14% compared to 31 December 2022 due to a decrease in short-term loans from financial institutions.

Shareholders' equity

As of 30 September 2023, the Company had total shareholders' equity of Baht 485.97 million which increase by Baht 409.22 million or 533% compared to 31 December 2022, mainly due to an increase in share premium and total comprehensive income.

Yours sincerely

Kanitha Srisawat

(Miss Kanitha Srisawat)

Chief Financial Officer

TBN Corporation Public Company Limited