

November 14, 2023

Subject: Management Discussion and Analysis for the 9-month period, ended 30 September 2023
To: Directors and Managers
Stock Exchange of Thailand

Enclosure: Management Discussion and Analysis for the 9-month period of 2023, ended 30 September 2023

The Board of Directors of Sirisoft Public Company Limited and its subsidiaries (the 'Company') has approved the Company's Financial Statement and the Report of the Certified Public Accountant for the 9-month period, ending on 30 September 2023, which were reviewed by EY Office Limited; details are enclosed. Concurrently, the Company has prepared a Management Discussion and Analysis to clarify and present a summary report of the Company's performance for dissemination to investors.

Please be informed accordingly.

Yours sincerely

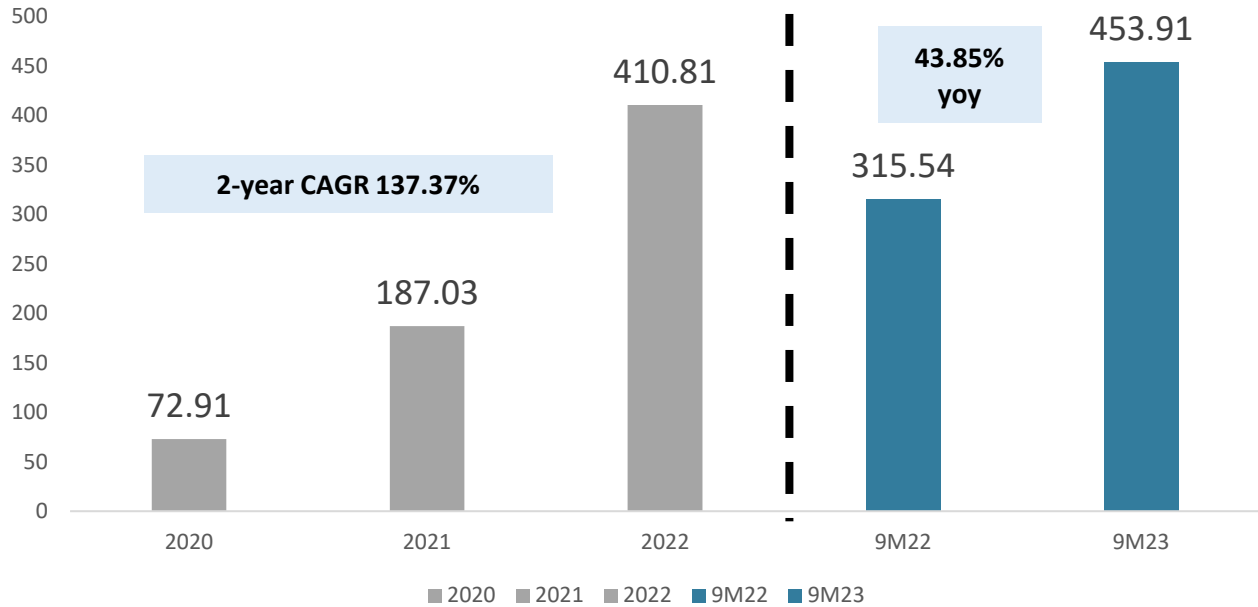
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(Mr. Sitthikard Auschavaranondha)

Chief Financial Officer

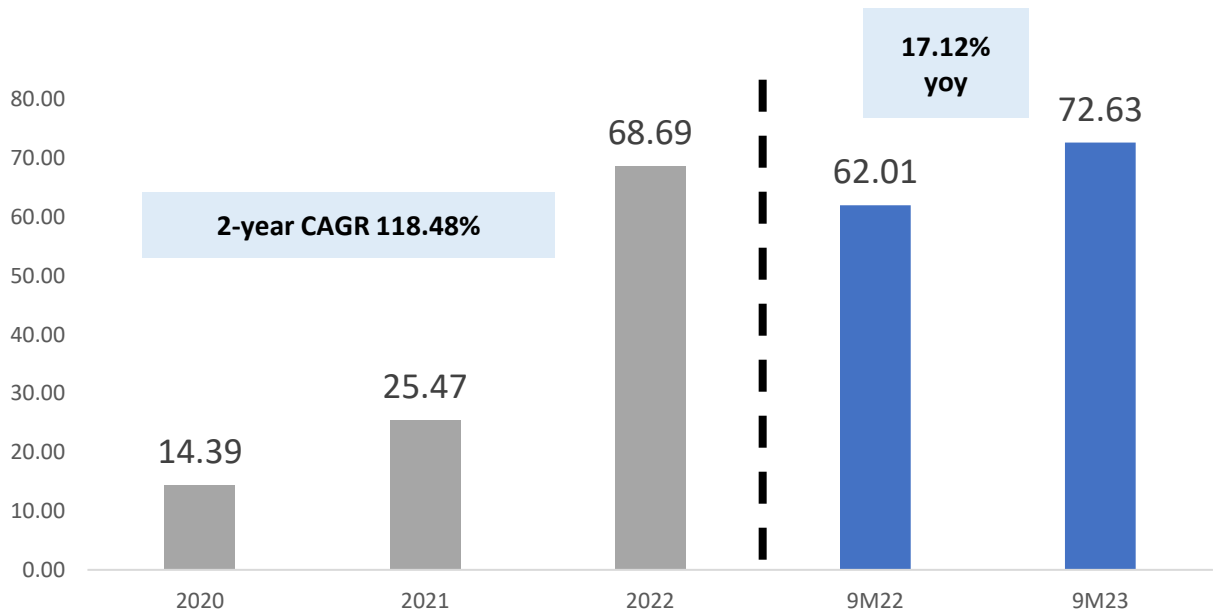
Sirisoft Public Company Limited

Financial Highlights

Revenue Trends (mTHB)



Net Profit Trends (mTHB)



Statement of comprehensive income

Unit: THB Million	Consolidated financial statements		Change increase (decrease)	
	for 9-month period of		Amount	Percentage
	2022	2023		
Revenue from sales and services	315.54	453.91	138.37	43.85
Cost of sales and services	198.10	284.45	86.35	43.59
Gross Profit	117.44	169.46	52.02	44.29
Other income	0.44	1.04	0.60	136.36
Selling expenses	(7.33)	(12.97)	(5.64)	76.94
Administrative expenses	(34.39)	(63.43)	(29.04)	84.44
Finance costs	(1.95)	(3.16)	(1.21)	62.05
Profit before income tax expenses	74.21	90.94	16.73	22.54
Income tax expenses	(12.20)	(18.31)	(6.11)	50.08
Net profit	62.01	72.63	10.62	17.13

Revenue structure

Revenue Structure	9-month period of			
	2021		2022	
	THB Million	Percent	THB Million	Percent
Revenue from services	201.75	63.85	269.39	59.21
<i>Growth rate (%)</i>		-		33.53
Revenue from sales	113.79	36.01	184.52	40.56
<i>Growth rate (%)</i>		-		62.16
Total revenue from sales and services	315.54	99.86	453.91	99.77
<i>Growth rate (%)</i>		-		43.85
Other income	0.44	0.14	1.04	0.23
Total revenues	315.98	100.00	454.95	100.00

Revenue from sales and services

For the nine-month period ended September 30, 2023, the Company's revenue from sales and service of the Company was THB 453.91 million, an increase of THB 138.37 million or equivalent to a growth of 43.85 percent compared to the same period in 2022. This growth was primarily due to the rise in revenue from implementation and development of software services and the sale of hardware and software licenses, as detailed below.

(Unit: THB Million)	Consolidated financial statements		Change increase (decrease)	
	for 9-month period of		Amount	Percentage
	2022	2023		
Implement and develop software services	188.97	253.37	64.40	34.08
Maintenance and support services	10.83	14.05	3.22	29.73
Sales of hardware and software licenses	113.80	184.52	70.72	62.14
Other services	1.94	1.97	0.03	1.55
Total sales and service revenue	315.54	453.91	138.37	43.85

- Revenue from the implementation and development of software services increased by THB 64.40 million or 34.08 percent compared to the same period of the previous year. This increase was due to business growth leading to more projects from both existing and new customers. Additionally, in 2023, the Company hired more employees with specialized expertise, which contributed to the increased revenue from software development compared to the previous year.
- Revenue from the sales of hardware and software licenses increased by THB 70.72 million or by 62.14 percent compared to the same period of the previous year. The main reason for this increase was the recognition of revenue from the sale of Perpetual and Subscription Licenses for both existing and new projects, which started towards the end of 2022 and 2023.
- The Company is strategically expanding the service team to deliver higher quality projects and better meet customer needs.

Gross profit

For the nine-month period ended September 30, 2023, the Company reported a gross profit of THB 169.46 million, representing a gross profit margin of 37.33 percent. In comparison, for the nine-month period ending on September 30, 2022, the Company had a gross profit of THB 117.44 million, which was a gross profit margin of 37.22 percent. The slight increase in the gross profit margin was due to the increase in the adjusted gross profit margins on maintenance service revenues. Compared to the same period of the previous year, the Company experienced a

gross profit increase of THB 52.02 million or by 44.29 percent. This increase was primarily driven by higher sales and service revenues, with the group maintaining a gross profit margin similar to that of 2022.

Selling expenses

For the nine-month period ended September 30, 2023, the Company incurred selling expenses of THB 12.97 million, representing 2.85 percent of the total revenues. These selling expenses increased by THB 5.64 million, or 76.94 percent. The primary reason for this increase was employee-related expenses, as the Company hired more sales and marketing staff during the nine-month period of 2023 compared to the same period in the previous year. This increase was aimed at supporting business growth, expanding the customer base, and enhancing the Company's marketing activities.

Administrative expenses

For the nine-month period ended September 30, 2023, the Company incurred administrative expenses of THB 63.43 million, which accounted for 13.94 percent of the total revenues. This marked an increase of 84.44 percent from the THB 29.03 million incurred in the same period of the previous year. The primary reason for this increase was employee-related expenses, stemming from team expansion to support the Company's growth, including hiring new staff. Additionally, the Company also incurred additional costs for renting more space and other related expenses to accommodate the increased number of employees. This expansion also led to a rise in depreciation and amortization expenses.

Net Profit

For the nine-month period ended September 30, 2023, the Company reported a net profit of THB 72.63 million, an increase of THB 10.62 million, or 17.13 percent, from the same period of the previous year. This increase was primarily due to the Company's higher sales and service revenues compared to last year, largely driven by income from software development, as well as revenues from the sales of hardware and software licenses. Concurrently, the cost of sales and services, along with other expenses, rose in line with these revenues.

Statement of Financial Position

(Unit: THB Million)	As of	As of	Change increase (decrease)	
	31 December	30 September	Amount	Percent
	2022	2023		
Total Assets	311.46	474.15	162.69	52.24
Total Liabilities	241.07	385.15	144.08	59.77
Total Shareholders' equity	70.39	89.01	18.62	26.45

Assets

As of 30 September 2023, the Company had total assets of THB 474.15 million which increased by THB 162.69 million or equivalent to a growth of 52.24 percent compared to 31 December 2022, due to:

1. Right-of-use assets increased by THB 110.98 million, up from THB 60.77 million at the end of 2022, representing an increase of 182.62 percent. This increase was due to the expansion of office space, aligning with the intended use of funds obtained from the securities offering.
2. Contract assets increased by THB 65.94 million, from THB 9.98 million at the end of 2022, or an increase of 661.00 percent. This significant rise was due to the Company completing more projects that have not yet reached their payment due dates. This increase in contract assets corresponds with the increase in service revenue.

Liabilities

As of 30 September 2023, the Company had total liabilities of THB 385.15 million which increased by THB 144.08 million or equivalent to a growth of 59.77 percent compared to 31 December 2022, due to:

1. Lease liabilities increased by THB 106.86 million or a percentage increase of 180.67 from THB 59.15 million at the end of the year 2022. This was due to the Company leasing additional office space in accordance with the intended use of funds raised from the securities offering.
2. Trade and other payables increased by THB 35.12 million, or a percentage increase of 54.35 from the end of the year 2022. Primarily, this was due to the increase in accrued dividends and other accrued expenses related to new projects that have risen this year, which corresponds with the increase in sales and service revenue.
3. The provision for decommission increased by THB 8.98 million, or a percentage increase of 124.04. The main cause was the Company's expansion of its office space and the consequent increase in estimated liabilities for dismantling arising from the increased assets.

Shareholders' equity

As of September 30, 2023, the Company had total shareholder equity of THB 89.01 million, representing an increase of THB 18.62 million, or 26.45 percent, compared to December 31, 2022. This increase was primarily attributed to the rise in retained earnings from operations, in which for the 9-month period of 2023 the net profit amounted to THB 72.63 million. Additionally, there was a capital increase from the original THB 30.00 million to THB 80.00 million, requiring an additional paid-up capital of THB 30.00 million. This was after accounting for dividend payments from the 2022 operations of THB 33.30 million, the first interim dividend for 2023 of THB 11.50 million, and the second interim dividend for 2023 of THB 39.16 million.

Key Financial Ratios

Financial Ratios	Unit	As of	As of
		31 December 2022	30 September 2023
Current ratio	Times	1.18	1.09
Interest bearing debt to equity ratio (IBD/E)	Times	0.84	1.87
Cash cycle	Days	11.07	(2.54)
Return on asset (ROA)	Percent	27.43	24.65
Return on equity (ROE)	Percent	121.87	121.50

Current ratio

As of 30 September 2023, the Company's current ratio was 1.09 times which decreased from 31 December 2022 that was at 1.18 times.

Interest bearing debt to equity ratio (IBD/E)

As of 30 September 2023, the Company had an interest-bearing debt to equity ratio of 1.87 times, which increased compared to 0.84 times as of 31 December 2022. This was due to the increase of lease liabilities from the year ended 2022 of THB 106.86 million.

Cash cycle

Cash cycle (days)	As of	As of
	31 December 2022	30 September 2023
Average collection period	42.09	30.61
Average repayment period	31.02	33.15
Average Cash Cycle	11.07	(2.54)

As of 30 September 2023, the Company had a cash cycle of (2.54) days, a decrease from the end of 2022. This result was due to a reduction in the accounts payable turnover, following an increase in trade and other payables from THB 36.96 million to THB 31.93 million. This resulted from the Company purchasing hardware for implementing and developing software services that has not yet reached its increased payment due date compared to the end of 2022, and an increase in the account receivable turnover ratio with the rise in sales and service revenue.

Return on asset (ROA)

As of 30 September 2023, the Company's ROA was 24.65 percent which decreased from 31 December 2022 that was at 27.43, mainly due to the expansion of office area.

Return on equity (ROE)

As of 30 September 2023, the return on equity stood at 121.50 percent, a slight decrease from the 2022 period at 121.87 times.