

MMS-CS67/001

February 22, 2024

Subject: Management discussion and analysis of the 2023 operating results

To: The President of the Stock Exchange of Thailand

For the 2023 operating performance, which was already audited by the authorized auditor, Matching Maximize Solution Public Company Limited (the Company) booked a net profit of 20.13 million baht in the consolidated financial statement. The profit increased by 85.39 million baht, equivalent to a gain of 130.85 % on a year-on-year basis from the net loss of 65.26 million baht reported for 2022. The details are discussed below:

(In million baht)

profit and loss statement	2023	2022	Changes	
	Amount	Amount	Amount	%
Revenue from equipment rental services	325.67	270.42	55.25	20.43%
Revenue from studio rental services	79.82	30.70	49.12	160.00%
Revenue from content services	41.07	38.45	2.62	6.81%
Revenue from product sales	4.22	3.56	0.66	18.54%
<b>Total Revenue</b>	<b>450.78</b>	<b>343.13</b>	<b>107.65</b>	<b>31.37%</b>
<b>Total cost</b>	<b>309.24</b>	<b>282.72</b>	<b>26.52</b>	<b>9.38%</b>
<b>Gross profit</b>	<b>141.54</b>	<b>60.41</b>	<b>81.13</b>	<b>134.30%</b>
SG&A expenses	114.93	116.85	(1.92)	(1.64%)
Financial expenses	11.24	10.36	0.88	8.49%
<b>Total expenses</b>	<b>126.17</b>	<b>127.21</b>	<b>(1.04)</b>	<b>(0.82%)</b>
<b>Gain (loss) before other revenue and expenses</b>	<b>15.37</b>	<b>(66.80)</b>	<b>82.17</b>	<b>123.01%</b>
Other revenue	10.40	1.36	9.04	664.71%
<b>Pre-tax gain (loss)</b>	<b>25.77</b>	<b>(65.44)</b>	<b>91.21</b>	<b>139.38%</b>
<b>Tax (income) expenses</b>	<b>5.64</b>	<b>(0.18)</b>	<b>5.82</b>	<b>3,233.33%</b>
<b>Net profit (loss)</b>	<b>20.13</b>	<b>(65.26)</b>	<b>85.39</b>	<b>130.85%</b>

The total revenue in 2023 marked at 450.78 million baht, representing an increase of 107.65 million baht or a gain of 31.37% on a year-on-year basis due to the following reasons.

The revenue from equipment rental services in 2023 amounted to 325.67 million baht, increasing by 55.25 million baht or up by 20.43 % on a year-on-year basis from the revenue of 270.42 million baht reported in 2022. The increase in revenue from this business was made possible by the gains in the service volume provided for a number of clients, including both domestic and international production crew.

The revenue from studio rental services in 2023 was recorded at 79.82 million baht, up by 49.12 million baht or a rise of 160.00% from 30.70 million baht reported for 2022 due to growing number of foreign clients using the Company's facilities.

The revenue from content business in 2023 marked at 41.07 million, up by 2.62 million or an increase of 6.81% on a year-on-year basis versus 38.45 million baht in 2022 thanks to huger volume of content production services provided.

The gross profit in 2023 was reported at 141.54 million baht, up by 81.13 million baht or a jump of 134.30 % on a year-on-year basis from the gross profit of 60.41 million baht in 2022. Meanwhile, the gross profit margin for 2023 was 31.40%, growing by 13.79% compared to 2022 when the gross profit margin marked at 17.61% because the revenue from equipment and studio rental services increased.

The SG&A expenses in 2023 stood at 114.93 million baht, down by 1.92 million baht booked in 2022 or a decrease of 1.64% YoY as the allowance for expected receivable losses declined thanks to effective debt collection management and procedure.

The financial expenses in 2023 marked at 11.24 million baht, up by 0.88 million baht or an increase of 8.49% from the amount reported for the same period of 2022 due to the hikes in interest rates.

Tax (income) expenses for 2023 were reported at 5.64 million baht, an increase of 5.82 million baht or an increase of 3,233.33% from the same period of 2022 on the back of the impact of deferred taxes.

Other income in 2023 amounted to 10.40 million baht, an increase of 9.04 million baht or a gain of 664.71% from 1.36 million baht reported for 2022, consisting of: i) interest income of 0.31 million baht, ii) a net gain from the sale of assets at 3.49 million baht, iii) the fine from clients breaching service contracts at 3.36 million baht, iv) a claim for damage compensation at 1.72 million baht, and other items at 1.52 million baht.

## **Financial Position**

As of December 31, 2023:

- Total assets amounted to 1,539.59 million baht, an increase of 2.17 million baht or a gain of 0.14% compared to the figure reported as of December 31, 2022. The increase in asset was due to the increase of trade and other receivables net of 10.65 million baht, as well as increased investment in assets, buildings and equipment at 4.00 million baht. The assets for rent at 59.41 million baht to support the increasing number of clients, which has the depreciation and amortization of assets at 77.98 million baht. Key assets consisted of cash and cash equivalents worth 33.44 million baht, trade and other receivables of 85.45 million baht, and inventories amounting to 14.40 million baht. Income tax deducted at source amounted to 38.03 million baht. Property, plant and equipment was worth 1,132.12 million baht. Assets for rent were valued at 194.78 million baht; right-of-use assets marked at 8.46 million baht, and deferred tax assets stood at 27.01 million baht.
- The total liabilities amounted to 263.79 million baht, down by 16.78 million baht or a drop of 5.98% from the figure reported as of December 31, 2022. The decline in liabilities was due to repayments of loans. The key liabilities consisted of short-term loans from banks at 6.00 million baht, account payables and other payables at 45.69 million baht, the current portion of long-term loans from related corporates at 43.91 million baht, the current portion of the lease liabilities at 3.17 million baht, the long-term loans from related corporates at 126.09 million baht, the lease liabilities at 6.91 million baht, and the employee benefit obligations at 22.78 million baht.
- The shareholders' equities marked at 1,275.80 million baht, up by 18.95 million baht or an increase of 1.51 % from the figure seen as of December 31, 2022. The D/E ratio stood at 0.21 times and the current ratio was 1.59x.

## **Cash flows**

The Company's net cash flows received from operating activities amounted to 81.26 million baht and the net cash flows used for investing activities amounted to 56.33 million baht – mostly for purchase of assets for rent to support filming shooting facility services. Meanwhile, the net cash flows used for funding activities amounted to 22.09 million baht – mostly for loan repayment to the banks. Hence, the overall net cash flows increased by 2.84 million baht. Therefore, the Company's remaining cash flows at the end of the period amounted to 33.44 million baht.



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Sincerely yours,

Matching Maximize Solution Public Company Limited

(Mr. Chayanont Ulit)

Chief Executive Officer