

February 23, 2024

Subject: Management Discussion and Analysis for the year 2023

President

The Stock Exchange of Thailand

Overall, the company has shown robust growth in both revenue and profit, particularly in Q4/2023 where the revenue growth rate reached 22% compared to Q4/2022, with a net profit of Baht 18.7 million, marking a 109% increase over Q4/2022. When compared to Q3/2023, there was a 6% revenue growth, which is a deviation from the previous year's Q4 that only saw a 1% growth compared to the Q3. However, the net profit saw a slight decrease of 3%, which is a significant decrease of 51% compared to the previous year.

In summary, for the Year 2023, the company had revenues of Baht 522.0 million and net profit of Baht 69.1 million, representing a growth of 19% and 28% respectively from the previous year. This growth can be attributed to the expansion of both existing and new AI businesses, as well as the addition of over 290 new customers.

#### Operating results for the Q4 and the year 2023

(Thousand baht)

Consolidate	3 Months					12 Months		
	Q4/2023	Q3/2023	%QoQ	Q4/2022	%YoY	12M2566	12M2565	%YoY
Revenue from services	140,683	132,766	6%	115,745	22%	522,007	439,244	19%
BVG	56,662	54,249	4%	50,204	13%	212,306	186,632	14%
BVTPA	73,416	70,411	4%	58,639	25%	275,597	227,591	21%
BVA & BVTECH	10,605	8,106	31%	6,901	54%	34,104	25,021	36%
Costs of services	62,248	59,389	5%	55,529	12%	233,601	198,617	18%
BVG	31,648	29,920	6%	30,218	5%	119,284	101,523	17%
BVTPA	23,036	21,924	5%	20,181	14%	86,401	76,230	13%
BVA & BVTECH	7,564	7,545	0%	5,130	47%	27,916	20,864	34%
Gross profit	78,435	73,377	7%	60,216	30%	288,406	240,626	20%
Administrative expenses	56,850	51,020	11%	47,898	19%	209,734	175,383	20%
Operation profit	21,585	22,357	-3%	12,318	75%	78,672	65,243	21%
Other income(expenses)	1,646	2,032	-19%	(806)	-304%	8,451	2,814	200%
Profit before tax	23,231	24,390	-5%	11,513	102%	87,123	68,057	28%
Net Profit	18,696	19,223	-3%	8,962	109%	69,132	54,044	28%

Consolidate	31/12/2023	31/12/2022	%+/-
Total assets	913,806	481,607	90%
Total liabilities	173,331	115,085	51%
Shareholders' equity	740,475	366,522	102%

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## 1. Revenue from Services

In Q4/2023, revenue was Baht 140.7 million, higher than Q4/2022 by Baht 24.9 million, or +22%, and higher than Q3/2023 by Baht 7.9 million, or +6%.

1. BVG: Platform and application services for managing businesses related to motor insurance (“EMCS system”) earned Baht 56.7 million, increased by Baht 6.5 million, or +13%, compared to Q4/2022, and increased by Baht 2.4 million or +4% compared to Q3/2023 an increase due to claim settlement, claim notification, and AI system with an increase in the number of transaction and the number of new customers increased by more than 290 insurance company and partners in garage, dealer, towing, surveyor and other partners.
- BVTPA: Revenue was Baht 73.4 million, divided into TPA service revenue of Baht 66.2 million, and training and other service revenue of Baht 7.2 million, a ratio of 90:10, medical benefit and claim management services, as well as related consultation through platforms and applications (“TPA services”), increased by Baht 14.8 million, or +29%, compared to Q4/2022, from increased claims service volumes from insurance companies and self-insured companies but increased by Baht 3.0 million, or +4%, compared to Q3/2023.
- BVA&BVTECH: Revenue was Baht 10.6 million, increased by Baht 3.7 million, or +54%, compared to Q4/2022, and increased by Baht 2.5 million, or +31%, compared to Q3/2023, primarily from insurance mathematics consultancy according to Accounting Standard No. 19 on Employee Benefits and Financial Reporting Standard No. 17 on Insurance Contracts (TFRS 17).

The cumulative revenue for the year 2023 was Baht 522.0 million, higher than the same period of the previous year by Baht 82.8 million, or +19%.

## 2. Cost of Service

For Q4/2023, cost was Baht 62.2 million, an increase from Q4/2022 by Baht 6.7 million, or +12%, due to annual salary adjustments for employees and the increasing costs of expanding AI services in line with rising, and higher than Q3/2023 by Baht 2.9 million, or +5%.

The cumulative cost for the year 2023 was Baht 233.6 million, an increase of Baht 35.0 million, or +18%.

## 3. Gross Profit

For Q4/2023, the gross profit was Baht 78.4 million, an increase from Q4/2022 by Baht 18.2 million, or +30%, and an increase of Baht 5.1 million, or +7%, compared to Q3/2023.

The cumulative gross profit for the year 2023 was Baht 288.4 million, an increase of Baht 47.8 million, or +20%.

#### 4. Administrative Expenses

For Q4/2023, the administrative expenses amounted to Baht 56.9 million, an increase from Q4/2022 by Baht 8.9 million, +19% increase, and an increase of Baht 5.8 million, representing a +11% increase compared to Q3/2023. The main reason for along with additional personnel to support service provision in line with increasing demand.

The cumulative administrative expense for the year 2023 was Baht 209.7 million, an increase of Baht +34.4 million, representing a 20% increase, due to the company has expense transition in senior management during Q2 and Q3

#### 5. Net Profit

In Q4/2023, the net profit amounted to Baht 18.7 million, an increase from Q4/2022 by Baht 9.7 million, representing +109% increase, but a decrease of Baht 0.5 million, or -3%, compared to Q3/2023.

The cumulative net profit for the year 2023 was Baht 69.1 million, an increase of Baht 15.1 million, +28% increase.

#### 6. Financial Position

As of December 31, 2023, the Group's total assets were Baht 913.8 million, an increase from the end of 2022 by Baht 432.2 million, +90% increase. The main items included:

- Cash and investments increased by Baht 350.1 million, mainly from the sale of IPO shares, resulting in revenue of Baht 346.5 million, which the company invested for future projects and working capital. During the period, there were two dividend payments totaling 30 million baht, following the resolutions of the AGM and the company's board of directors.
- Account receivables and other receivables increased by Baht 39.0 million. The main items were account receivables of Baht 28.7 million and claim reserve from TPA services of Baht 9.7 million. Most of these increased receivables were due to receivables that have not yet matured and receivables that have been overdue for less than 3 months.
- Investment in servers to support customer services and BVG and BVTPA internal systems, totaling Baht 11.1 million.
- An increase in intangible assets of Baht 34.3 million, mainly from the development of computer programs for BVG's customer services, primarily AI Review and AI Estimate systems, TPA and OCR etc.

Total liabilities were Baht 173.3 million, an increase of Baht 58.2 million, or +51%, mainly arising from liabilities for insurance claims payments received from insurance companies to be paid to hospitals or policyholders Baht 40.9 million and other payable expenses.



Shareholders' equity amounted to Baht 740.5 million, an increase of Baht 373.9 million or +102%, due to the aforementioned IPO and operating profit of Baht 69.1 million, but with dividend payments of Baht 30.0 million, as per the resolution of the AGM and the company's board of directors.

Please be informed accordingly.

Yours sincerely,

(Mrs. Nawarat Wongthitirat)  
Chief Executive Officer