

## Management Discussion and Analysis for the Year 2023

### Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the fiscal year 2023 compare with the prior year 2022 are as follows;

The Group has revenue from operation for the fiscal year 2023 of Baht 572.6 million decreased of Baht 47.9 million or 7.7% compared with the prior year 2022, due to the Group had sold a subsidiary company (Phygital Space Development Company Limited) in the first quarter of 2023.

The Group had profit from operation in amount of Baht 34.0 million, but due to allowance for credit losses and other losses – net, consisting of losses from *Investments in equity securities*<sup>1</sup> in listed company was Baht 204.8 million and investment in non listed company As a result, the company had a net loss of Baht 447.3 million, with the loss increasing to Baht 331.5 million or 286.4%, which was a net loss of Baht 442.1 million for the company.

### Revenues

The structure of revenues for the year ended 31 December 2023 and 2022 are as follows;

<i>Unit: BAHT million</i>	Y2023	Y2022	% Change
<b>1. Revenue from sales and contract work</b>	<b>17.2</b>	<b>20.1</b>	<b>-14.6%</b>
1.1 Sales and Turnkey Total Solutions	17.2	20.1	-14.6%
<b>2. Revenue from services</b>	<b>552.1</b>	<b>540.3</b>	<b>2.2%</b>
2.1 Fully Outsourced Contact Center Management Service	379.4	387.7	-2.1%
2.2 Outsourced Contact Center Facility	15.2	22.3	-31.8%
2.3 Outsourced Customer Service Representative	147.4	121.0	21.8%
2.4 Maintenance Service	10.1	9.3	7.8%
<b>3. Other</b>	<b>3.3</b>	<b>60.0</b>	<b>-94.4%</b>
<b>Total</b>	<b>572.6</b>	<b>620.4</b>	<b>-7.7%</b>

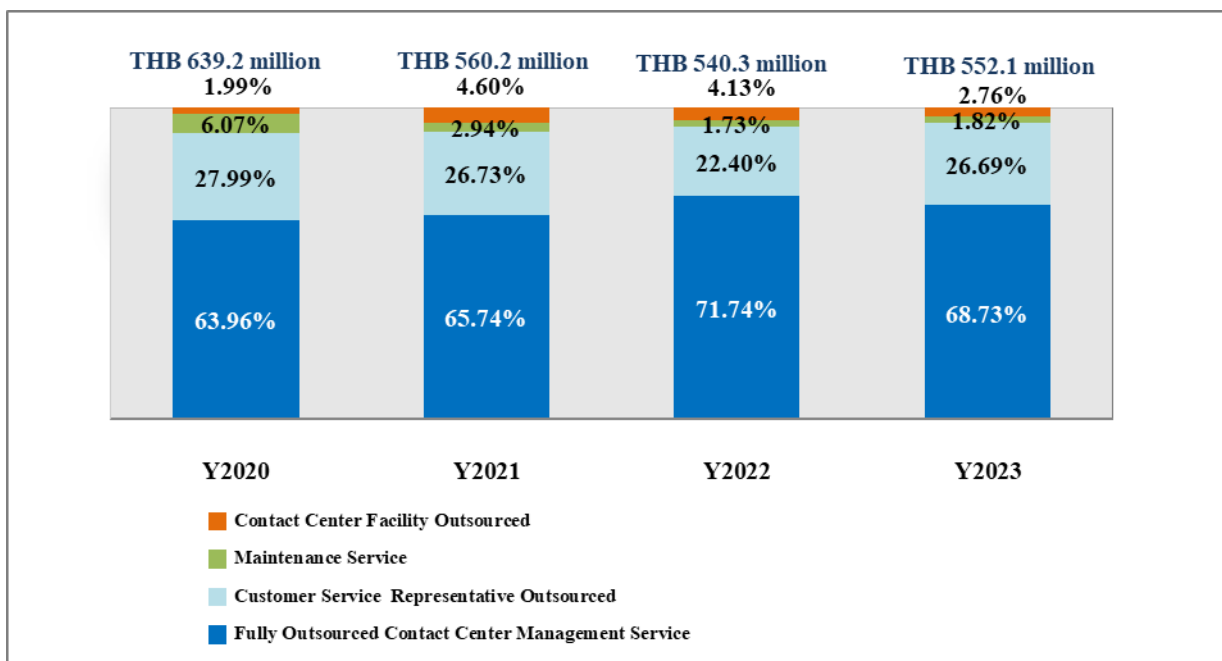
#### 1. Revenue from sales and revenue from contract work

Revenue of turnkey total solutions for the year 2023 was Baht 17.2 million, decreased by Baht 2.9 million or 14.6% due to loss from the Government and State enterprise customer.

#### 2. Services income

Services income for the year was Baht 552.1 million, increased by Baht 11.8 million or 2.2%. Service income can be classified by type from 2020-2023.

## Classification of Service Income



**2.1 Revenue from Fully Outsourced Contact Center Management Service** for the year 2023 was Baht 379.4 million, decreased by Baht 8.3 million or 2.1%, decrease from retail business and cleaning business section.

**2.2 Revenue from Contact Center Facility Outsourced** for the year 2023 was BAHT 15.2 million, decreased by BAHT 7.1 million or 31.8% , decrease from corporate customer.

**2.3 Revenue from Customer Service Representative Outsourced** for the year 2023 was BAHT 147.4 million, increased by BAHT 26.4 million or 21.8% when compared to the prior year. It mainly decreased by the Government and State enterprise customer.

**2.4 Revenue from Maintenance Service** for the year 2023 was BAHT 10.1 million, increased by BAHT 0.8 million or 7.8%, slightly increased from the same period of previous year.

### 3. Revenue from other business unit

Revenue from other business unit decreased by Baht 56.7 million due to the Group selling a subsidiary (Phygital Space Development Company Limited) (“PSD”), in the first quarter of 2023.

## Gross Profit

The Group has gross profit for the year 2023 of Baht 88.5 million, representing gross profit margin of 15.5%, decreased compared to 2022 with gross profit margin of 17.3%.

## Selling Expenses, Administrative Expenses and Other Loss - Net

The Group has selling expenses, administrative expenses and other loss-net for the year 2023 was Baht 526.2 million, which increased from previous year by Baht 265.7 million or 102.0%, mainly due to expected credit loss and loss from equity instruments with details as follows:

1. Expected credit losses in the amount of Baht 144.9 million consists of:
  - Incomplete received for sale of shares (2nd-4th installments) of Phygital Space Development Company Limited, amounting to Baht 75.2 million.
  - Short-term loans to third party, Wow Factor Public Company Limited (“WOW”), amounting to Baht 57.5 million from a principal of Baht 100.0 million or 57.5%
  - Security deposit for studies with local company to Platform development, amounting to Baht 10.0 million and other receivables of Baht 2.2 million
2. Other losses - net, amounting to Baht 263.6 million, consisted of losses from investing in equity instruments of listed companies in amounting to Baht 204.8 million, divided into losses from selling equity instruments of listed companies in the amount of Baht 162.3 million, consisting of stocks with the following: “W” / “SA” / “PSTC” / “WAVE” / “TNITY” / “SIMAT”. Loss from changes in the value of equity instruments of listed companies in the amount of Baht 42.5 million, consisting of stocks with the following: “NEWS” / “Nation” / “EE” / “SA” / “SA-W1” / “EP” / “AQUA” and losses from companies that are not listed in Hinshitsu (Thailand) Public Company Limited market amounted to Baht 56.0 million.

### ***Investments in Equity Securities<sup>1</sup>***

Based on the Group’s investment policy, approved by the Board of Directors Meeting No.3/2021 on February 2021 which has been reviewed and revised a total of 6 times, with the most recent 2 times being approved by the Board of Directors’ meeting No. 8/2023 and No. 12/2023 on 2 June 2023 and 21 July 2023 in order by focusing on the Group’s cash management and placing importance on the balance between the ‘risk of investment’ and ‘return on investment’ under the acceptable risk. In order for the Company to receive the appropriate gains and maintain sufficient liquidity to be converted into cash if need be. The investments can be classified into 3 types: (1) Investments in Private Funds, (2) Investments in Self-Managed Securities, and (3) Investments in Bank Deposits and/or Government Bonds and/or Debentures with a rating no lower than BBB+ and/or other debt instruments as specified by the Investment Committee of the Group under the investment framework approved by the Board of Directors.

- Investments in equity securities of listed companies as of 31 December 2023 amounting to Baht 204.8 million, derived from investments in the common shares of listed companies. The buying and selling (trading) which has been reviewed by the Investment Committee are not considered an asset acquisition of the Company.
- Investments in equity securities of non-listed companies as of 31 December 2023 amounting to Baht 60.2 million, investments in the ordinary shares of Hinsitsu (Thailand) Public Company Limited approved by the Board of Directors Meeting No. 11/2021, which is considered an asset acquisition of the company. The Company has published information of this acquisition to the Stock Exchange of Thailand on September 30, 2021. And in 2022, there is an allowance for expected credit losses of 56.0 million baht.

### **Net Loss**

The Group had a net loss of Baht 447.3 million, an increase in the loss of Baht 331.6 million. The net loss to total income ratio was -76.1%, with a net loss of Baht 442.1 million for the Company. The increase in net loss was due to loss from sale of equity instruments of listed companies and losses from fair valuation of listed companies' equity instruments.

## Financial Position

As of December 31, 2023, the Group had total assets of Baht 1,146.6 million, an increase of Baht 167.2 million, or 17.1%. Increase from cash and cash equivalents This was a result of the exercise of warrant rights (OTO-W1) in the amount of Baht 699.7 million and decreased from

- 1) Loss from investing in equity instruments of listed companies on the stock exchange of Baht 204.8 million (loss from selling equity instruments of listed companies and losses from fair value assessment of equity instruments of listed companies).
- 2) Short-term loans to third party by Baht 100.0 million. Wow Factor Public Company Limited (“WOW”) has a remaining balance of Baht 42.5 million due to recognized an allowance for credit losses that are expected to occur in the amount of Baht 57.5 million.
- 3) Security deposit to studies in a wind power plant project in Vietnam, remaining of Baht 80.0 million, which is an investment in common share of 19% of the total shares of the holding company. After that, the company requested to cancel the project and return the deposit.
- 4) Security deposit of the group’s subsidiaries to studies with local companies for developing and marketing platforms. And later, the group of companies was in the process of negotiating to cancel the transaction. The Company estimates the allowance for expected credit losses to be Baht 10.0 million.
- 5) Deposit payment for studies in a Peer-to-Peer-Lending Platform, amount of Baht 72.0 million, to operation system of electronic network business for peer-to-peer loan transactions.

Total liabilities was Baht 101.1 million, decreased by Baht 41.1 million or 28.9% when compared to the the previous year.

Total shareholders’ equity was reported at Baht 1,045.5 million, increased by Baht 208.3 million or 24.9% when compared to the previous year due to the exercise of warrants (OTO W1).

Yours faithfully



(Mr. Chirayu Chueyam)

Chief Executive Officer and Chairman of Executive Committee