



May14, 2024

Subject: Management Discussion and Analysis for the three-month period ended March 31, 2024

Attention: President, Stock Exchange of Thailand

TBN Corporation Public Company Limited and subsidiaries (the "Company") would like to declare the Company's performance for the three-month period ending 31 March 2024, as shown as attached:

(Unit: Million (Thb))

	3M	3M	Change		3M	3M	Change	
	Q1'2023	Q1'2024	YoY	%	Q4'2023	Q1'2024	QoQ	%
Service income	116.83	92.61	(24.22)	-21%	109.41	92.61	(16.80)	-15%
Cost services	(67.61)	(68.44)	(0.83)	1%	(71.83)	(68.44)	3.39	-5%
<b>Gross profit</b>	<b>49.22</b>	<b>24.17</b>	<b>(25.05)</b>	<b>-51%</b>	<b>37.58</b>	<b>24.17</b>	<b>(13.41)</b>	<b>-36%</b>
Other income	0.89	2.01	1.12	126%	2.25	2.01	(0.24)	-10%
SG&A expenses	(15.70)	(16.42)	(0.72)	5%	(17.63)	(16.42)	1.21	-7%
Finance costs	(1.02)	(0.68)	0.34	-34%	(0.67)	(0.68)	(0.00)	1%
<b>EBT</b>	<b>33.39</b>	<b>9.09</b>	<b>(24.30)</b>	<b>-73%</b>	<b>21.53</b>	<b>9.09</b>	<b>(12.44)</b>	<b>-58%</b>
Tax expense	(7.41)	(0.94)	6.47	-87%	(1.43)	(0.94)	0.49	-34%
<b>Net profit</b>	<b>25.98</b>	<b>8.14</b>	<b>(17.84)</b>	<b>-69%</b>	<b>20.09</b>	<b>8.14</b>	<b>(11.95)</b>	<b>-59%</b>

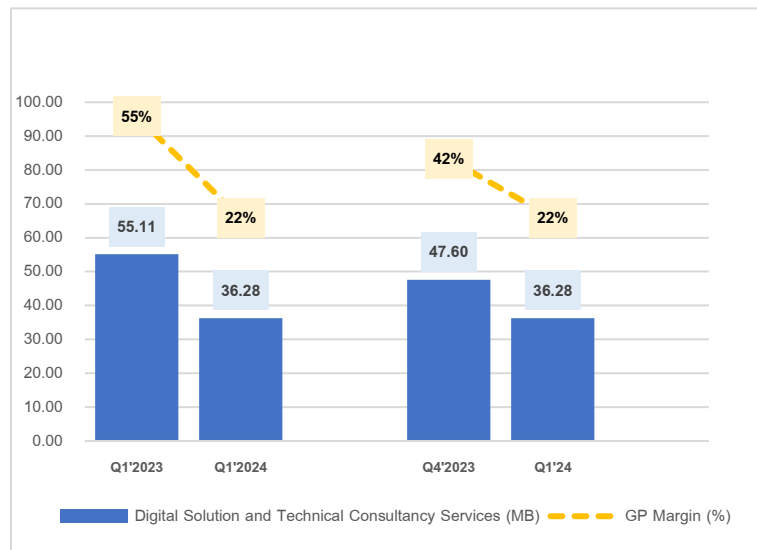
1. Revenue and Gross Profit Margin

(Unit : Million (Thb))

	3M	3M	Change			3M	3M	Change	
	Q1'2023	Q1'2024	YoY	%		Q4'2023	Q1'2024	QoQ	%
1. Digital Solution and Technical Consultancy Services	55.11	36.28	-18.84	-34%		47.60	36.28	-11.32	-24%
2. Technical Maintenance, Licensing and Cloud Services	59.16	55.09	-4.07	-7%		59.63	55.09	-4.54	-8%
3. Other	2.56	1.24	-1.32	-51%		2.19	1.24	-0.94	-43%
Total	116.83	92.61	-24.22	-21%		109.41	92.61	-16.80	-15%

For the three-month period ending March 31, 2024, the Company's revenues decreased by Baht 24.22 million or a decrease of 21% year-on-year (YoY) and a decrease of Baht 16.80 million or a decrease by 15 % quarter-on-quarter (QoQ). This decline was attributed to reduced activity in both the digital solution and technical consultancy services groups and the technical maintenance, licensing, and cloud services. The details are as follows:

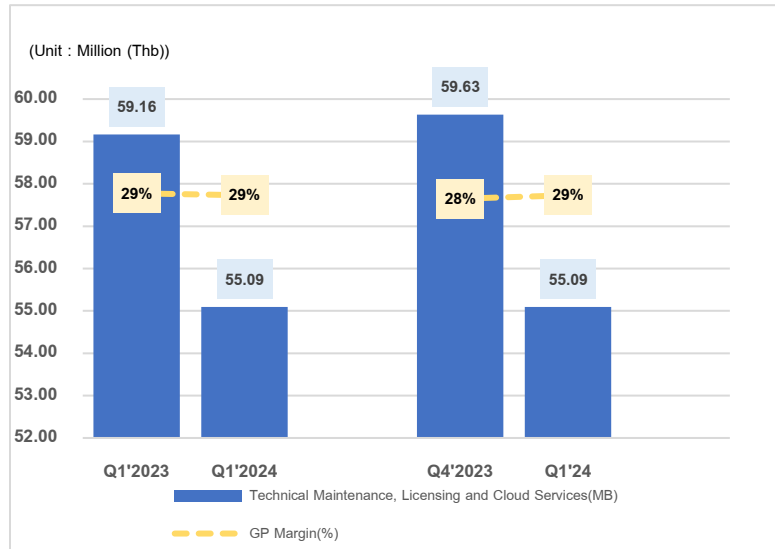
Revenue from the Digital Solution and Technical Consultancy Services and Gross Margin



For the three-month period ending March 31, 2024, the Company's revenues decreased by Baht 18.84 million, representing 34% year-on-year (YoY), and by Baht 11.32 million, 24% quarter-on-quarter (QoQ). This decline is attributed to the inability to initiate new projects as scheduled. Many projects were under review for customer budget approval, causing delays in project initiation. However, as of April 2024 some projects have commenced, and others should start within the next quarters in 2024.

The gross profit margin of the digital solutions group decreased from 55% to 22% year-on-year (YoY) and from 42% to 22% quarter-on-quarter (QoQ). This decline is due to the fixed costs associated with the group, which are expenses related to employees and are unavoidable even if revenue from services provided decreases, resulting in a decrease in the initial profit margin.

Revenue from Technical Maintenance, Licensing and Cloud Services and Gross Margin



For the three-month period ending March 31, 2024, the Company's revenues decreased by Baht 4.07 million, representing a decrease of 7% year-on-year (YoY), and by Baht 4.54 million, representing a decrease of 8% quarter-on-quarter (QoQ). This decrease was mainly due to the decline in cloud revenue. However, as cloud revenue has relatively low gross margin, the decrease in cloud revenue will not have a significant impact on the company's profitability. As for the gross profit

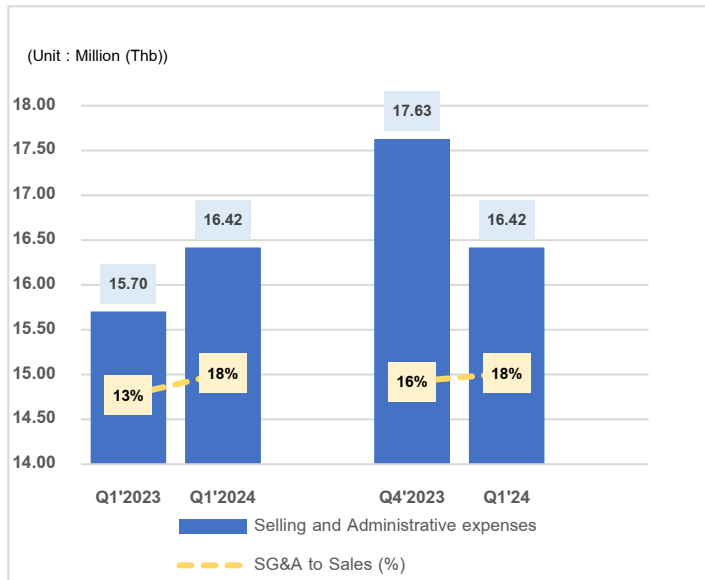
margin for the three-month period ending March 31, 2024, it remained at 29%, with no significant changes.

**As of 31 March 2024, the Company had a backlog of projects that had not yet been delivered, as follows.**

(Unit : Million (Thb))

	2024	>2024	Total
1. Digital Solution and Technical Consultancy Services	61	4	65
2. Technical Maintenance, Licensing and Cloud Services	108	76	184
3. Other	2	-	2
<b>Total</b>	<b>171</b>	<b>80</b>	<b>254</b>

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



For the three-month period ending March 31, 2024, the Company's selling and administrative expenses increased by Baht 0.72 million, representing a 5% year-on-year (YoY). The increase from higher employee expenses due to the hiring of more sales staff.

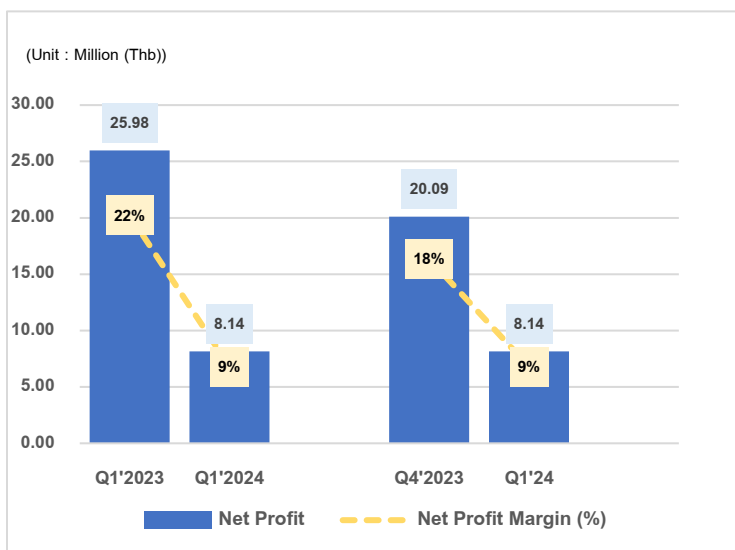
For the three-month period ending March 31, 2024, the Company's selling and administrative expenses decreased by Baht 1.23 million, reflecting a 7% quarter-on-quarter decrease (QoQ). This decrease was mainly due to a reduction in expected credit loss (ECL) expenses. This is because the company received payment from accounts receivable that were

overdue in the previous accounting period.

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

Selling and administrative expenses to sales ratio increased in this quarter. This is due to a decrease in service revenue, while selling and administrative expenses continue to occur as usual because most of these expenses are fixed costs, such as sales and administrative salaries, depreciation, etc.

### 3. Net profit and net profit margin



The Company's net profit and net profit margin both decreased. For the three-month period ending March 31, 2024, the Company's net profit decreased by Baht 17.84 million, a decrease of 69% year-on-year (YoY), and by Baht 11.95 million, a decrease of 59% quarter-on-quarter (QoQ). The decrease is primarily due to a decline in revenue, while costs and selling and administrative expenses continue to occur as usual. Most of these expenses are fixed costs, such as sales and administrative salaries, depreciation, etc.

#### Statement of Financial Position

(Unit: THB Million)	As of 31 March	As of 31 December	Change increase (decrease)	
	2024	2023	Amount	%
<b>Total Assets</b>	674.88	686.92	-12.05	-2%
<b>Total Liabilities</b>	161.67	181.86	-20.19	-11%
<b>Total Shareholders' equity</b>	513.20	505.06	8.14	2%

**Assets:**

As of March 31, 2024, the Company had total assets of Baht 674.88 million which decreased by Baht 12.05 million or 2% compared to December 31, 2023, as follows:

1. Cash and cash equivalent items decreased by Baht 9.84 million, representing 3%, resulting from spending in operating activities of 7.81 million baht, spending in investing activities of 0.3 million baht, and spending in financing activities of 1.73 million baht. (Payment of debts according to the lease agreement).

2. Trade accounts receivable and accrued income decreased by Baht 4.68 million, representing 2%, aligning with the decrease in service income.

**Liabilities:**

As of March 31, 2024, the Company had total liabilities of Baht 161.67 million which decreased by Baht 20.19 million or 11% compared to December 31, 2023, due to a decrease in trade payables.

**Shareholders' equity**

As of March 31, 2024, the Company had total shareholders' equity of Baht 513.20 million which increased by Baht 8.14 million or 2% compared to December 31, 2023, due to an increase in total comprehensive income.

Yours sincerely

*Kanittha Wongrawichanan*

(Miss Kanitha Wongrawichanan)

Chief Financial Officer