

## Management Discussion and Analysis for the Third Quarter of Year 2022

### Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the third quarter of year 2022 compared to the same period of prior year and the prior period are as follows;

For the three-month period, the Group reported total revenues (excluded other revenues) at THB 145.0 million, increased by THB 2.7 million or 1.9% from the prior period, When compared to the same period of prior year, The revenue was decreased by THB 24.3 million or 14.3% **And the Group had a profit from operations of THB 16.1 million**, but due to a loss from investment in equity securities of THB 61.5 million, mainly due to a loss from a change in the value of investment in ordinary shares of a listed company of THB 45.4 million and loss from disposal of investment in ordinary shares of listed companies amounting to THB 16.1 million, (as of September 30,2022, the company has a remaining investment value of THB 212.2 million), resulting in overall operating results in the nine quarter of 2022,a net loss of THB 44.9 million, a decrease of THB 75.9 million or 244.6% each compared to the third quarter of 2021.

For the nine-month period, the Group reported total revenues (excluded other revenues) at THB 435.5 million, decreased by THB 22.1 million or 4.8% compared to the same period of prior year and gained gross profit amounted to THB 85.7 million or 19.7%.The gross profit increased by THB 9.9 million caused by cost management. **And the Group’s operating profit for the first nine months of 2022 amounted to THB 40.3 million**, but losses from investment in equity securities of THB 149.7 million, mainly due to losses from changes in value of investments in ordinary shares of listed companies in the amount of THB 121.7 million and loss from selling of ordinary shares of listed companies, amounting to THB 28.0 million, resulting in overall operating results from the nine months of the year 2022 net loss of THB 109.4 million.

### Revenues

The structure of revenues for the three-month and nine-month period ended 30 September 2022 and 2021 are as follows;

<i>Unit: THB million</i>	Three-month period			% Change +/-		Six-month period		% Change
	Q3’21	Q2’22	Q3’22	QoQ	YoY	9M’21	9M’22	+/( -)
<b>1. Revenue from sales and contract work</b>	<b>12.9</b>	<b>1.4</b>	<b>4.9</b>	<b>250.9%</b>	<b>-61.9%</b>	<b>25.7</b>	<b>14.7</b>	<b>-42.8%</b>
1.1 Turnkey Total Solutions	12.9	1.4	4.9	250.9%	-61.9%	25.7	14.7	-42.8%
<b>2. Revenue from services</b>	<b>156.4</b>	<b>135.0</b>	<b>129.5</b>	<b>-4.1%</b>	<b>-17.2%</b>	<b>431.9</b>	<b>404.3</b>	<b>-6.4%</b>
2.1 Fully Outsourced Contact Center Management	105.5	97.9	91.3	-6.7%	-13.4%	280.7	290.7	3.6%
2.2 Contact Center Facility Outsourced	6.6	5.2	5.3	1.9%	-20.9%	19.9	16.0	-19.4%
2.3 Customer Service Representative Outsourced	40.5	30.0	30.5	1.7%	-24.4%	115.7	91.5	-20.9%
2.4 Maintenance Service	3.8	1.9	2.4	25.6%	-38.4%	15.6	6.1	-60.8%
3. Other segment	-	<b>5.9</b>	<b>10.6</b>	<b>79.3%</b>	-	-	<b>16.5</b>	-
<b>Total</b>	<b>169.3</b>	<b>142.3</b>	<b>145.0</b>	<b>1.9%</b>	<b>-14.3%</b>	<b>457.6</b>	<b>435.5</b>	<b>-4.8%</b>

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

**Turnkey Total Solutions** for the three-month period was THB 4.9 million decreased from the same period of prior year by THB 8.0 million but increase from the prior period by THB 3.5 million.

## **2. Revenue from services**

Revenue from services for the three-month period was THB 129.5 million, decreased by THB 5.5 million or 4.1% from the prior period and decreased by THB 26.9 million or 17.2% when compared to the same period of prior year. Moreover, the revenue from services for the nine-month period was THB 404.3 million which decreased by THB 27.6 million or 6.4% when compared to the same period of prior year. The details are as follows;

**2.1 Revenue from Fully Outsourced Contact Center Management Service** for the three-month period was THB 91.3 million, decreased by THB 6.6 million or 6.7% from the prior period. In addition, when compared to the same period of prior year, it was decreased by THB 14.2 million or 13.4%. For the nine-month period, it was at THB 290.7 million increased by THB 10.0 million or 3.6% when compared to the same period of prior year. It was mainly increased from the Corporate customer in airline business and retail sector.

**2.2 Revenue from Contact Center Facility Outsourced** for the three-month period was THB 5.3 million, increased from the prior period by THB 0.1 million or 1.9% but decrease by THB 1.3 million or 20.9% compared to the same period of prior year, mainly came from private customer. For the nine-month period, it was at THB 16.0 million decreased by THB 3.9 million or 19.4% when compared to the same period of prior year. It was mainly decreased from private customer.

**2.3 Revenue from Customer Service Representative Outsourced** for the three-month period was THB 30.5 million, increased from the prior period by THB 0.5 million or 1.7% but decreased from the same period of prior year by THB 10.0 million or 24.4%. For the nine-month period, it was THB 91.5 million decreased from the same period of prior year by THB 24.2 million or 20.9%. It mainly decreased from Government and State enterprise customers.

**2.4 Revenue from Maintenance Service** for the three-month period was THB 2.4 million, decreased from the prior period by THB 0.5 million or 25.6% and decreased from the same period of prior year by THB 1.4 million or 38.4%. For the nine-month period, it was THB 6.1 million decreased from the same period of prior year by THB 9.5 million or 60.8%. It mainly decreased from Government and State enterprise customer.

## **3. Revenue from other segment**

Revenue from the new company, Phygital Space Development Company Limited, which operates the business of providing platform service for game and e-sports competitions. And a comprehensive electronic sports business. For the three-month period, the revenue amounted to 10.6 million baht, and for the nine-month period, it was THB 16.5 million.

## Gross Profit

For the three-month period, the Group reported total gross profit at THB 24.1 million decreased THB 7.0 million and the gross profit margin was at 16.6%, decreased 1.7% from the same period of prior year.

For the nine-month period, the Group reported total gross profit at THB 85.7 million increased THB 9.9 million and gross profit margin of 19.7%, increased 3.1% from the same period last year. The increase in gross margin, mainly came cost management and expensed controlling of the Group of Company.

## Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for the three-month period, totally at THB 84.4 million, increased from the prior period year by THB 52.3 million. It main resulted from losses from investments in equity securities. And for the nine-month period had a cost of selling and administrative expense and other expenses totally THB 230.0 million, increased of THB 84.4 million when comparing the same period last year. Most of this is due to losses from equity investment.

## Net Profit

The Group reported total net loss for the three-month period at THB 44.9 million increased from the previous quarter. And compared to the same period last year Net loss increase by THB 75.9 million or 244.6% when compared to the same period of prior year. Net loss to total revenues was at 27.4%. For the nine-month period, net loss was THB 109.4 million and net loss ratio was at 25.1%, increased from the same period of prior year. This was a result from loss on change in value of listed equity investments.

## Financial Position

As at 30 September 2022, the Group reported total assets at THB 901.9 million, decreased by THB 101.1 million or 10.1% when compared to the end of the prior year. It was mainly decreased from other current financial assets.

Total liabilities were represented at THB 87.9 million, decreased by THB 10.8 million or 11.0% when compared to the end of the prior year. Total shareholders' equity was reported at THB 813.9 million, decreased by THB 90.3 million or 10.0% when compared to the end of the prior year.

Yours faithfully,

(Mr. Kanawuthi Wattanadhirach)

Director and Chairman of Executive Committee