

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

### Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the second 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 142.3 million, decreased by THB 5.9 million or 4.0% from the prior period, When compared to the same period of prior year, The revenue was increased by THB 3.6 million or 2.5% **And the Group had a profit from operations of THB 14.6 million**, but due to a loss from investment in equity securities of THB 48.8 million, mainly due to a loss from a change in the value of investment in ordinary shares of a listed company of THB 47.43 million and loss from disposal of investment in ordinary shares of listed companies amounting to THB 1.42 million, which was caused by to volatility of the capital market due to the war. And uncertain economic conditions (as of June 30,2022, the company has a remaining investment value of THB 249.1 million), resulting in overall operating results in the second quarter of 2022,a net loss of THB 39.8 million, a decrease of THB 52.4 million or 413.3% each compared to the second quarter of 2021.

In addition, the Group has entered into a contract to provide hosting service on the platform and receive returns in the form of digital assets in Z7 DAO currency, with a service period of 7 months, with a contract value of THB 3.2 million of 100 million Z7 Dao.

For the six-month period, the Group reported total revenues (excluded other revenues) at THB 290.5 million, increased by THB 2.2 million or 0.8% from the same period of prior year. And gross profit amounted to THB 61.5 million or 21.2%.The gross profit increased by THB 16.9 million due to increased revenue but lower costs. And **the Group’s operating profit for the first six months of 2022 amounted to THB 29.2 million**, but to losses from investment in equity securities of THB 88.2 million, mainly due to losses from changes in value of investments in shares. ordinary shares of listed companies in the amount of THB 76.3 million and loss from sale of investment in ordinary shares of listed companies amounting to THB 11.9 million, resulting in overall operating results for the first six months of the year 2022 net loss of THB 64.5 million.

## Revenues

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

Unit: THB million	Three-month period			% Change +/-		Six-month period		% Change
	Q2'21	Q1'22	Q2'22	QoQ	YoY	6M'21	6M'22	+/(-)
<b>1. Revenue from sales and contract work</b>	4.2	8.4	1.4	-	-	12.7	9.8	-23.1%
1.1 Turnkey Total Solutions	4.2	8.4	1.4	-83.4%	-66.8%	12.7	9.8	-23.1%
<b>2. Revenue from services</b>	134.5	139.8	135.0	-3.4%	0.3%	275.6	274.8	-0.3%
2.1 Fully Outsourced Contact Center Management	83.0	101.5	97.9	-3.6%	17.9%	175.3	199.4	13.7%
2.2 Contact Center Facility Outsourced	7.6	5.5	5.2	-4.7%	-31.9%	13.3	10.7	-19.4%
2.3 Customer Service Representative	38.2	31.0	30.0	-3.2%	-21.5%	75.2	61.0	-18.9%
2.4 Maintenance Service	5.7	1.8	1.9	6.3%	-66.1%	11.8	3.7	-68.4%
3. Other segment			5.9				5.9	
<b>Total</b>	138.7	148.2	142.3	-4.0%	2.4%	288.3	290.5	0.8%

### 1. Revenue from sales and contract work

**1.1 Turnkey Total Solutions** For the three-month period, revenue amounted to THB 1.4 million, a decrease of THB 7.0 million or 83.4% from the prior period and a decrease of THB 2.8 million or 66.8% compared to the same period last year. And for the six-month period, revenue was THB 9.8 million, a decrease of THB 2.9 million of 23.1% compared to the previous year.

### 2. Revenue from services

Revenue from services for the three-month period was THB 135.0 million, decreased by THB 4.8 million or 3.4% from the prior period and increased by THB 0.5 million or 0.3% when compared to the same period of prior year. In addition, the revenue from services for the six-month period was THB 274.8 million which decreased by THB 0.8 million of 0.3% 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 97.9 million, decreased from the prior period by THB 3.6 million or 3.6%. Moreover, when compared to the same period of prior year, it was increased by THB 14.9 million or 17.9%. For the six-month period, it was at THB 199.4 million increased by THB 24.1 million or 13.7% when compared to the same period of prior year. It was mainly increased from corporate customer in airline business and sector retail.

**2.2 Revenue from Contact Center Facility Outsourced** for the three-month period was THB 5.2 million, decreased from the prior period by THB 0.3 million or 4.7% and decrease by THB 2.4 million or 31.9% compared to the same period of prior year. For the six-month period, it was at THB 10.7 million decreased by THB 2.6 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 30.0 million, decreased from the prior period by THB 1.0 million or 3.2% and decreased from the same period of prior year by THB 8.2 million or 21.5%. For the six-month period, it was THB 61.0 million decreased from the same period of prior year by THB 14.2 million or 18.9%. It mainly decreased by the customers of Government and State enterprise sector.

**2.4 Revenue from Maintenance Service** for the three-month period was THB 1.9 million, increased from the prior period by THB 0.1 million but decreased from the same period of prior year by THB 3.8 million or 66.1%. For the six-month period, it was THB 3.7 million decreased from the same period of prior year by THB 8.1 million or 68.4%. It mainly decreased from Government and State enterprise customer.

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

Revenue from the new company, Phyigital 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 5.9 million baht.

## **Gross Profit**

For the three-month period, the Group reported total gross profit at THB 26.6 million increased THB 6.2 million and the gross profit margin was at 18.7% increased 4% from the same period of prior year.

For the six-month period, the Group reported total gross profit at THB 61.5 million increased THB 16.9 million and gross profit margin of 21.2% increased 5.7% from the same period last year. The increase in gross margin was due to higher revenue and lower cost and expense.

## **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 78.8 million, increased from the prior period year by THB 53.7 million. It main resulted from losses from investments in equity securities. And for the six-month period there is a cost of selling and administrative expense and other expenses totaled THB 145.6 million, increased of THB 97.8 million when comparing the same period last year. Most of this is due to losses from equity investment and advisory fees, including legal advisors.

## **Net Profit**

The Group reported total net loss for the three-month period at THB 39.8 million increased from the previous quarter. And compared to the same period last year Net loss increase by THB 52.4 million or 413.3% when compared to the same period of prior year. Net loss to total revenues was at 27.4%. For the six-month period, net loss was THB 64.5 million and net loss ratio was at 21.9% increased when compare to 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 June 2022, the Group reported total assets at THB 942.1 million, decreased by THB 60.8 million or 6.1% when compared to the end of the prior year. It was mainly decreased from cash and cash equivalents, including other current financial assets.

Total liabilities were represented at THB 83.4 million, decreased by THB 15.4 million or 15.6% when compared to the end of the prior year. Total shareholders' equity was reported at THB 858.8 million, decreased by THB 45.4 million or 5.0% when compared to the end of the prior year.

Yours faithfully,

(Mr. Kanawuthi Wattanadhirach)

Director and Chairman of Executive Committee