

Management Discussion and Analysis for the First Quarter of Year 2023

Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the first quarter of year 2023 compared to the same period of the prior year are as follows;

The Group reported operating revenues (excluding other revenues) at THB 138.3 million, decreased by THB 9.9 million or 6.7% which mainly decreased from the revenue from services and contract work. The total cost was reported at THB 123.9 million, increased by THB 10.6 million or 9.4%. The gross profit margin for this quarter decreased by THB 20.6 million. The gross profit margin was at 10.4%.

The Group had a net profit at THB 27.3 million baht, an increase of THB 52.1 million or 210.0% compared to the first quarter of 2022. Profit attributable to the Company was at 32.5 million baht as a result of sale of investment in companies totaling 56.3 million baht. And losses from *Investments in equity securities*’ in equity instruments of listed companies at 16.8 million baht.

Investments in Equity Securities¹

Based on the Group’s investment policy, approved by the Board of Directors Meeting No.13/2021 and No.6/2022 held on November 10, 2021 and August 15, 2022 respectively 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 March 2023 amounting to 219.5 million baht, 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 March 2023 amounting to 116.2 million baht, 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.

Revenues

The structure of revenues for the three month period ended 31 March 2023 and 2022 are as follows;

| <i>Unit: THB million</i> | Q1-2023 | Q1-2022 | % Change |
|--|--------------|--------------|---------------|
| 1. Revenue from sales and contract work | 2.0 | 8.4 | -76.1% |
| 1.1 Turnkey Total Solutions | 2.0 | 8.4 | -76.1% |
| 2. Revenue from services | 133.0 | 139.8 | -2.5% |
| 2.1 Fully Outsourced Contact Center Management Service | 91.8 | 101.5 | -9.7% |
| 2.2 Contact Center Facility Outsourced | 6.9 | 5.5 | 25.3% |
| 2.3 Customer Service Representative Outsourced | 32.8 | 31.0 | 5.8% |
| 2.4 Maintenance Service | 1.5 | 1.8 | -16.3% |
| 3. Other segment | 3.3 | - | - |
| Total | 138.3 | 148.2 | -6.7% |

1. Revenue from sales and contract work

1.1 Turnkey Total Solutions generated revenue of THB 2.0 million in this quarter, decreased by THB 6.4 million or 76.1% when compared to the same period of prior year. It was decreased from Government and State Enterprise customer.

2. Revenue from services

Revenue from services for this quarter was at a total of THB 133.0 million, decreased by THB 6.8 million or 2.5% 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 this quarter was THB 91.8 million, decreased by THB 9.7 million or 9.7% when compared to the same period of prior year. It was mainly decreased from the retail customer and Government and State Enterprise customer.

2.2 Revenue from Contact Center Facility Outsourced for this quarter was THB 6.9 million, increased by THB 1.4 million or 25.3% when compared to the same period of prior year. It was increased from the Government and State Enterprise customer.

2.3 Revenue from Customer Service Representative Outsourced for this quarter was THB 32.8 million, increased by THB 1.8 million or 5.8% when compared to the same period of prior year. It was increased from Government and State Enterprise customer and Private sector.

2.4 Revenue from Maintenance Service for this quarter was THB 1.5 million, decreased by THB 0.3 million or 16.3% when compared to the same period of prior year. It was mainly decreased from Government and State Enterprise customers.

3. Revenue from other segment

Revenue from the new company, Phyigital Space Development Company Limited (PSD), which operates business in providing a gaming platform for gamers and owning E-sports teams to participate in E-sports tournaments and all aspects of E-sports. The total service income was at 3.3 million baht.

Gross Profit

For this quarter, gross profit margin of the Group was reported at THB 14.4 million, decreased by THB 20.6 million or 58.9% and gross profit margin was at 10.4%, decreased from 23.6% of the same period of the prior year. Gross profit margin decreased from an increase in cost of services.

Selling Expenses, Administrative Expenses and Other Expenses

The Group had selling expenses, administrative expenses and other expenses for this quarter totaling at THB 40.4 million, decreased by THB 26.5 million or 39.6% when compared to the same period of prior year. The loss from investment in listed companies equity securities decreased by 22.5 million baht, along with a decrease in legal advisory expense.

Net Profit

The Group reported a total net profit for this quarter at THB 27.3 million, increased by THB 52.1 million or 210.0% when compared to the same period of prior year. Net profit to total revenues was at 13.9%. This was a result of gains from sales of investment in companies of 56.3 million baht and losses from investment in listed companies' equity securities of 16.8 million baht.

Financial Position

Total assets

As of 31 March 2023, the Group reported total assets at THB 900.8 million, decreased by THB 78.6 million or 8.0% when compared to the end of the prior year. It was mainly increased from other current financial assets. Current assets increased by 91.4 million baht and decreased from non-current assets by 169.9 million baht, mainly due to the sale of investment in subsidiaries.

Total liabilities

As of 31 March 2023, the Group reported total liabilities at THB 80.5 million, decreased by THB 61.8 million or 43.5% when compared to the end of the prior year. It was mainly decreased from current liabilities in terms of trade and other payables.

Yours faithfully,



(Mr. Kanawuthi Wattanadhirach)

Chairman of Executive Committee and Chief Executive Officer