

Management Discussion and Analysis for the Third Quarter of Year 2023

Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the third quarter of year 2023 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 138.3 million, Increase at THB 1.2 million baht compared to last quarter, but decreased by THB 6.7 million or 4.6% compared to the same period of the previous year, resulting in net loss of THB 178.8 million baht, an increase of 134.0 million baht or 298.5%. The increase in losses is a result of expected credit losses. Phygital Space Development Company Limited at THB 120.0 million baht. And when compared to the previous quarter, it was found that the net loss decreased by 50.4 million baht, or 39.3%, But However, selling and administrative expense of 76.1 million baht and part of the loss from investment in instruments. Capital decreased in the three-month period, losses from investment in equity instruments were 41.7 million baht, divided into losses from sales of investment of 54.8 million baht and gains from changes in the value of investments in equity instruments of 13.1 million baht.

For the nine-month period, the Group reported total revenues (excluded other revenues) at THB 413.7 million, decreased by THB 21.8 million or 5.0% from the same period of prior year. And net loss by THB 279.9 million, an increase by THB 170.5 million or 155.9%. Loss attributable to the Company was at 274.8 million baht, Net loss increased as result of higher credit losses. Expected to Phygital Space Development Company Limited. And the loss from *Investments in equity securities* by THB 175.9 million, divided into the following; Loss from investments sales of 69.8 million baht, and Loss from changes in investment value of 105.8 million baht.

Loans to related parties or businesses as attached in Note 21 (c) of the financial statements. A loan to a subsidiary of the Company, in which the Company holds 99.99% of shares, which is a transaction that is exempt from complying with the criteria for connected transactions for the purpose of working capital and is in accordance with normal loan terms and conditions, and due to be repaid on demand. The interest rate for the loan is set at a rate of 1.55% per annum (referring to fixed deposit rates of 5 major commercial banks plus 0.25%).

Changes in loans to related parties for the nine-month period ended 30 September 2023 amounted 67.8 million baht, a decrease of 8.2 million baht compared to the end of last year due to the repayment of debt from Inno Hub Company Limited “Subsidiary Company” (Inno Hub Company Limited operates in the businesses of providing Digital Service Innovation and investing in other businesses). The aforementioned loans are for the subsidiary to investment in the business of Phygital Space Development Company Limited and another for the working capital in the cleaning business of One To One Professional a subsidiary of the Company.

Investments in Equity Securities¹

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 30 September 2023 amounting to THB 175.2 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 30 September 2023 amounting to THB 116.2 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.

Revenues

The structure of revenues for the three-month and nine-month period ended 30 September 2023 and 2022 are as follows;

<i>Unit: THB million</i>	Three-month period			% Change +/-		Nine-month period		% Change +/-
	Q3'22	Q2'23	Q3'23	QoQ	YoY	9M'22	9M'23	
1. Revenue from sales and contract work	4.9	1.8	6.6	266.7%	34.7%	14.7	10.4	-29.3%
1.1 Turnkey Total Solutions	4.9	1.8	6.6	266.7%	34.7%	14.7	10.4	-29.3%
2. Revenue from services	129.5	135.3	131.7	-2.7%	1.7%	404.3	400.0	-1.1%
2.1 Fully Outsourced Contact Center Management	91.3	93.9	93.9	0.0%	2.8%	290.7	279.6	-3.8%
2.2 Contact Center Facility Outsourced	5.3	4.4	3.5	-20.5%	-34.0%	16.0	14.8	-7.5%
2.3 Customer Service Representative	30.5	34.5	32.2	-6.7%	5.6%	91.5	99.5	8.7%
2.4 Maintenance Service	2.4	2.5	2.1	-16.0%	-12.5%	6.1	6.1	0.0%
3. Other segment	10.6	-	-	-	-100.0%	16.5	3.3	-80.0%
Total	145.0	137.1	138.3	0.9%	-4.6%	435.5	413.7	-5.0%

1. Revenue from sales and contract work

1.1 Turnkey Total Solutions For the three-month period, revenue amounted to THB 6.6 million , an increase of THB 1.7 million from the same period of last year and a increase of THB 4.8 million from the previous quarter. The increase over the same period of last year mainly came from private sector customers in the retail business. For the nine-month period, the revenue was Baht 10.4 million reduced by 4.3 million baht Compared to the same period last year

2. Revenue from services

Revenue from services for the three-month period was THB 131.7 million, decreased by THB 3.6 million or 2.7% from the prior period but increased by THB 2.2 million or 1.7% when compared to the same period of prior year. In addition, the revenue from services for the nine-month period was THB 400.0 million which decreased by THB 4.3 million of 1.1% 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 93.9 million, The same as the previous quarter., when compared to the same period of prior year, it was increased by THB 2.6 million or 2.8%. For the nine-month period, it was THB 279.6 million, decreased by THB 11.1 million or 3.8% when compared to the same period of prior year. The decrease was mainly from corporate customer in sector retail and other parts of the cleaning business.
- 2.2 Revenue from Contact Center Facility Outsourced** for the three-month period was THB 3.5 million, decreased from both the previous quarter and the same period of prior year. For the nine-month period, it was at THB 14.8 million, decreased by THB 1.8 million or 7.5% 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 32.2 million, decreased compared to the previous quarter but increased from the prior period by THB 1.7 million or 5.6%. For the nine-month period, it was THB 99.5 million, increased from the same period of prior year by THB 8.0 million or 8.7%. It mainly increased by the customers of Government and State enterprise sector and Private sector.
- 2.4 Revenue from Maintenance Service** for the three-month period was THB 2.1 million, decreased from the prior period by THB 0.4 million and slightly decreased from the same period last year. For the nine-month period, it was THB 6.1 million same as the same period last year.

3. Revenue from other segment

Revenue from other segment for the three-month period, There was no change compared to the previous quarter. Because the company has Sales of Phygital Space Development Company Limited, in the first quarter, compared to the same period last same period last year, decreased by 10.6 million baht.

Gross Profit

For the three-month period, the Group reported total gross profit at THB 23.8 million and the gross profit margin was at 17.2%, increase of 7.2% when compared to the previous quarter. For the nine-month period, the Group reported total gross profit at THB 60.4 million baht, compare the same period last year, The gross profit margin was 14.6% compared to the same period last year. The decrease in gross margin was due to the termination of certain projects with high gross margin in 2022.

Selling Expenses, Administrative Expenses and Other Expenses

For the three-month period The Group has selling expenses, administrative expenses and other expenses totally at THB 77.4 million, an decrease by THB 7.0 million compared to the same period last year. This is due to decreased losses in equity instruments. And when comparing the nine-month period with the same period of the previous year, it was found that the increase was THB 38.7 million.

Net Profit

For the three-month period The Group reported total net loss at THB 178.8 million, an increase by THB 134.0 million, compared to the same period last year. The net loss to total revenue ratio was -129.1%. For the nine-month period, the Group's total net loss was THB 279.9 million, an increase of THB 170.5 million compared to the same period last year. The net loss to total income ratio was 59.5 percent as a result of changes in the value of investments in listed companies' equity securities.

Financial Position

As at 30 September 2023, the Group reported total assets at THB 1,295.3 million, increased by THB 316.0 million or 32.3% when compared to the end of the prior year. It was mainly increased from cash equivalents from the exercise of warrants (OTO W1) amounted to 699.7 million baht and decreased from following item:

- 1) Loss from investing in equity instruments of listed companies on the stock exchange, 175.9 million baht (from sales and Mark to Market)
- 2) Providing a short-term loan of 100 million baht to other businesses to Wow Factor Public Company Limited (W), which is scheduled to repay the loan on January 25, 2024, which has no impact on the Company's liquidity. With Wow factor public Company Limited (W), the shares were pledged as collateral for a loan to the company.
- 3) Payment of a deposit to study a wind power plant project in Vietnam of 100 million baht, which is an investment in common shares of 19 percent of the total shares of the holding company. Later, the company requested to cancel the program and the deposit.
- 4) Security deposit of the group's subsidiaries For participating in joint investment studies with companies in Thailand to conduct joint investment studies in developing and marketing platforms. And later, the group of companies was in the process of negotiating to cancel the said transaction.
- 5) Paying a deposit for education to invest in a business Peer-to-Peer-Lending Platform, amount of 72.0 million baht, to operate a system of electronic network business for peer-to-peer loan transactions.

Total liabilities were represented at THB 82.4 million, decreased by THB 59.8 million or 42.1% when compared to the end of the prior year.

Total shareholders' equity was reported at THB 1,212.9 million, increased by THB 375.8 million or 44.9% when compared to the end of the prior year from the exercise of warrants (OTO W1)

Yours faithfully



(Mr. Chirayu Chueyam)

Chief Executive Officer and Chairman of Executive Committee