

## 2023: Management Discussion and Analysis

### Operation Overview

In 2023, the Company and subsidiaries reported total revenue of Baht 1,965 million, an increase of Baht 1,323 million or 205.7% compared with 2022. Considering operating loss of 2023, the Company reported Baht 564 million, operating loss decreased by Baht 91 million or 13.9% compared with 2022.

Net loss attributable to equity holders of the Company was Baht 754 million, decreased by Baht 422 million from the previous year.

### Results of Operation of the Company and Subsidiaries

#### Sales and service income including gross profit

(Unit: Million Baht)

	Digital Network		Digital Content		Total	
	2023	2022	2023	2022	2023	2022
Sales and service income	1,796	513	103	119	1,899	632
Cost of sales and services	(1,845)	(548)	(77)	(114)	(1,922)	(662)
Gross profit	(49)	(35)	26	5	(23)	(30)
Other income					66	11
Selling and distribution expenses					(13)	(10)
Administrative expenses					(72)	(96)
Impairment for loss and other expenses					(514)	(657)
Finance income					1	1
Finance cost					(182)	(184)
Income tax expenses					(2)	(300)
Non-controlling interests of the subsidiaries					(15)	90
Net loss					(754)	(1,175)

#### Digital Network

Revenue of Digital Network Business, including selling and service income, was Baht 1,796 million, increased by Baht 1,283 million or 250.2% compared with 2022. This was mainly increased from delivery and installment of network communication equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project. Gross profit reported at loss was Baht 49 million, an increase of Baht 14 million. Due to depreciation of DTRS network was classified as operation cost.

#### Digital Content

Revenue of Digital Content Business was Baht 103 million, a decrease of Baht 16 million or 13.4% compared with 2022. Gross profit was Baht 26 million, an increase of Baht 21 million or 420.0%.

### **Other Income**

Other income was Baht 67 million, representing 3.4% of total revenue in 2023, an increase of Baht 56 million or 517.9% compared with the previous year. This was mainly increased from reversal of impairment on fixed assets of Baht 46 million and gain of exchange rate increased of Baht 7 million.

### **Selling and Administration Expenses including Other Expenses**

Selling and administration expenses including other expenses were Baht 202 million, a decrease of Baht 41 million or 16.9% compared with 2022.

### **Finance Cost**

Finance cost was Baht 182 million, a decrease from 2022 of Baht 2 million.

### **Income Tax**

Income tax expenses were totally Baht 2 million, a decrease from 2022 of Baht 298 million as a result from The Company was recorded a write-off deferred tax assets of Baht 298 million in the previous year.

## **Financial Position**

### **Assets**

As of December 31, 2023, total assets were Baht 4,600 million, an increase of Baht 348 million or 8.2% compared with the end of 2022. Total current assets were Baht 2,073 million and total non-current assets were Baht 2,526 million, representing of 45.1% and 54.9% of total assets respectively.

### **Trade Receivables**

As of December 31, 2023, trade receivables-net were Baht 1,454 million, an increase of Baht 1,368 million or 1,582.7% compared with the end of 2022. This was mainly increased from trade accounts receivable of delivery and installment of network communication equipment in digital network business.

### **Inventories**

As of December 31, 2023, net inventories were Baht 98 million, decreased by Baht 123 million or 55.5% compared with the end of 2022. This was mainly contributed by the decrease in finished goods of Digital Trunked Radio System project (DTRS).

### **Other Current Assets**

As of December 31, 2023, other current assets were Baht 453 million, a decrease of Baht 236 million or 34.2% compared with the end of 2022. The outstanding balances were mainly advance for purchase of equipment in digital network business.

### **Non-Current Assets**

As of December 31, 2023, non-current assets were Baht 2,526 million, representing 54.9% of total assets. Comparing December 31, 2022, decreased by Baht 515 million or 16.9%. The decrease was mainly contributed by the impairment for loss on equipment in accordance with Thai Accounting Standard, a decrease in right-of-use assets and a decrease in other current assets.

## Liquidity

As of December 31, 2023, cash and cash equivalents were Baht 66 million, a decrease of Baht 147 million or 68.9% compared with the end of 2022. Sources and uses of fund are as follows:

- Net cash flows from operating activities of Baht 50 million.
- Net cash flows use in investing activities of Baht 131 million was mainly attributed to cash paid for acquisition of equipment in Digital Trunked Radio System project (DTRS).
- Net cash flows use in financing activities of Baht 66 million was mainly attributed to cash paid for loans from financial institutions after the company received cash from capital raising.

Compared with 2022, the Company's liquidity ratio increased from 0.32 times to 0.48 times and quick ratio increased from 0.11 times to 0.38 times and cash turnover decreased from 0.04 times to 0.01 times.

## Sources of Funds

As of December 31, 2023, total shareholders' equity was Baht 190 million, an increase of Baht 131 million or 222.5% compared with the end of 2022 from capital raising of Baht 704 million, conversion of the convertible debenture during the year of 2023 of Baht 168 million and net comprehensive loss in this year of Baht 741 million.

Total liabilities as of December 31, 2023 were Baht 4,409 million, increased by Baht 217 million or 5.2% compared with the end of 2022. Total liabilities consist of current liabilities of Baht 4,303 million, and non-current liabilities of Baht 106 million, representing 93.6% and 2.3% of total assets respectively. The key components are as follows:

- Trade payables and other payables were Baht 2,270 million, representing 51.5% of total liabilities or 49.3% of total assets, increased by Baht 1,232 million or 118.7% compared with the end of 2022.
- Bank overdrafts, loans from financial institutions and lease liabilities were totally Baht 2,045 million, representing 46.4% of total liabilities or 44.5% of total assets, a decrease of Baht 681 million or 25.0% compared with the end of 2022.