

No.0470-2025

February 25, 2025

Subject : Management Discussion and Analysis for the year 2024 ended December 31, 2024

To : The President of the Stock Exchange of Thailand

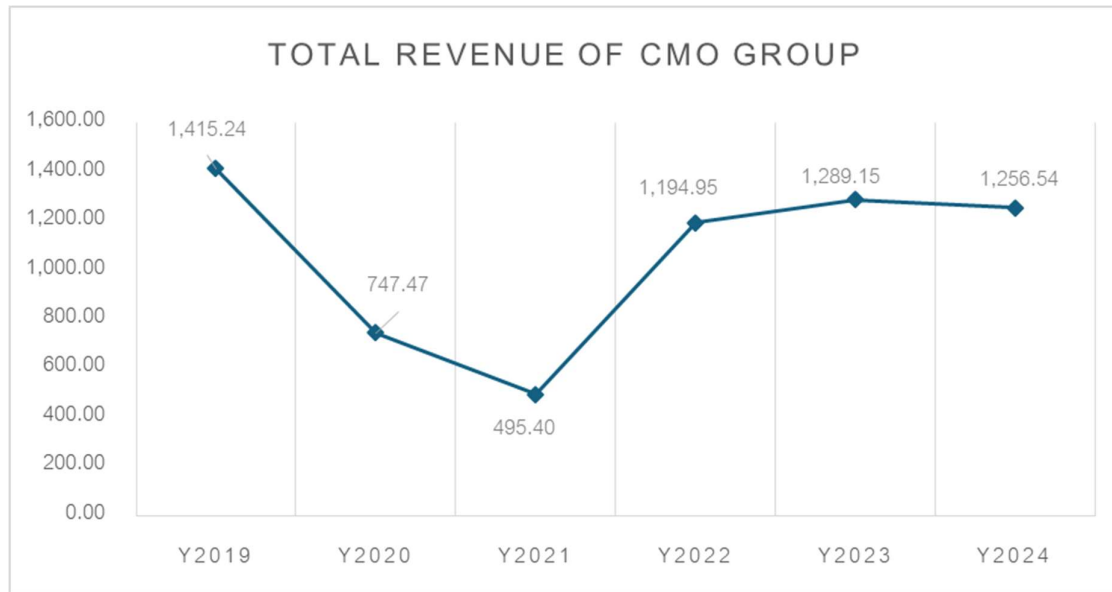
CMO Public Company Limited (the “**Company**” or “**CMO**”) would like to clarify the operational results and consolidated financial position of the Company and its subsidiaries for the year 2024 ending on December 31, 2024, compared to the same period of the previous year as follows:

Summary of Operating Results

The overall company’s performance after overcoming the COVID-19 crisis demonstrated a strong recovery during 2022–2023. This growth was supported by the relaxation of disease control measures and the resurgence of marketing activities across various industries. In 2023, the company recorded a total revenue of THB 1,289.15 million, an increase of THB 94.20 million or 7.9% compared to 2022, which had a total revenue of THB 1,194.95 million. This growth was driven by the recovery of the event and exhibition industry, increased demand for marketing activities from various sectors, and the return of large-scale trade shows and exhibitions.

For 2024, the company and its subsidiaries reported a total revenue of THB 1,256.54 million, a decrease of THB 32.61 million or 2.53% compared to 2023, which had a total revenue of THB 1,289.15 million. This slight decline was primarily due to the economic slowdown, which affected clients’ marketing investment decisions. Despite the revenue adjustment, the company’s efficiency improvement measures have started to yield positive results, indicating a potential for improved financial performance in the future.

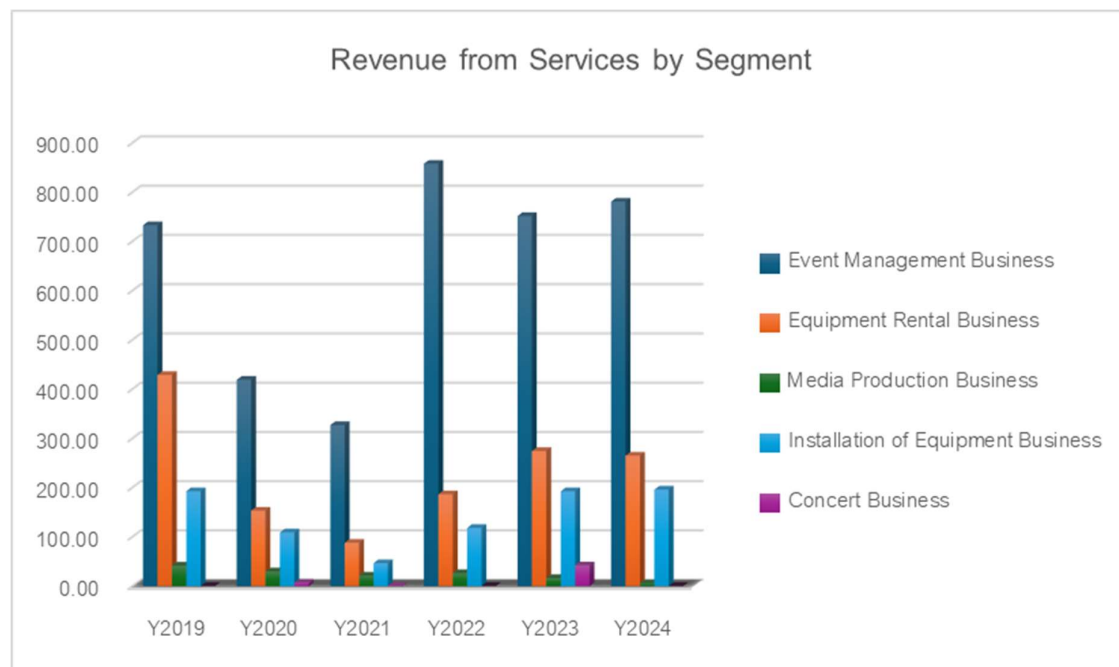
Graph Showing Total Revenue for the Years 2019–2024



Performance Comparison Table for the Years 2024

Income Statement	2024	2023	change	
			million Baht	%
Revenue from Services	1,247.59	1,278.72	(31.13)	(2%)
Cost of Services	975.18	1,068.81	93.62	(9%)
Gross Profit	272.41	209.91	62.50	30%
Other Income	8.95	10.43	(1.48)	(14%)
Selling and Administrative Expense	303.66	338.24	(34.58)	(10%)
Profit (Loss) Before Interest and Taxes	(22.30)	(117.90)	(95.60)	(81%)
Financial Costs	20.51	27.00	(6.49)	(24%)
Income Tax Expenses	42.39	11.63	30.76	264%
Non-controlling Interest (NCI) of Subsidiaries	12.74	12.69	0.05	100%
Profit (Loss) for the Year	(97.95)	(169.22)	(71.27)	(42%)
Gross Profit Margin	22%	16%		
Net Profit (Loss) Margin	(8%)	(13%)		

Analysis of Service Revenue



Revenue from Services by Segment	2024	2023	change	
			million Baht	%
Event Management Business	780.82	751.43	29.39)	4%
Equipment Rental Business	265.06	274.36	(9.30)	(3%)
Media Production Business	5.6	16.4	(10.80)	(66%)
Installation of Equipment Business	196.12	192.57	3.55)	2%
Concert Business	0	42.22	(42.22)	(100%)
Total	1,247.60	1,276.98		(2%)

The company and its subsidiaries generated revenue from event management services in 2024, with total revenue reaching THB 780.82 million, an increase of THB 29.39 million or 4%. This growth signals a positive trend in revenue expansion. The company continues to focus on aggressive marketing strategies and expanding its customer base, particularly in industries aiming to strengthen their brands and stimulate the market during the economic recovery. This has led to an increased demand for event organization, which remains essential for businesses both domestically and internationally, as events provide direct engagement and experience for target customers. Additionally, the company has enhanced its service offerings with innovative and comprehensive event solutions (One-Stop Service) to provide convenience and meet customer needs effectively. These services encompass event design, planning, and execution from start to finish. The company's event

management services include marketing and promotional activities, product or service launches, exhibitions, and conferences etc.

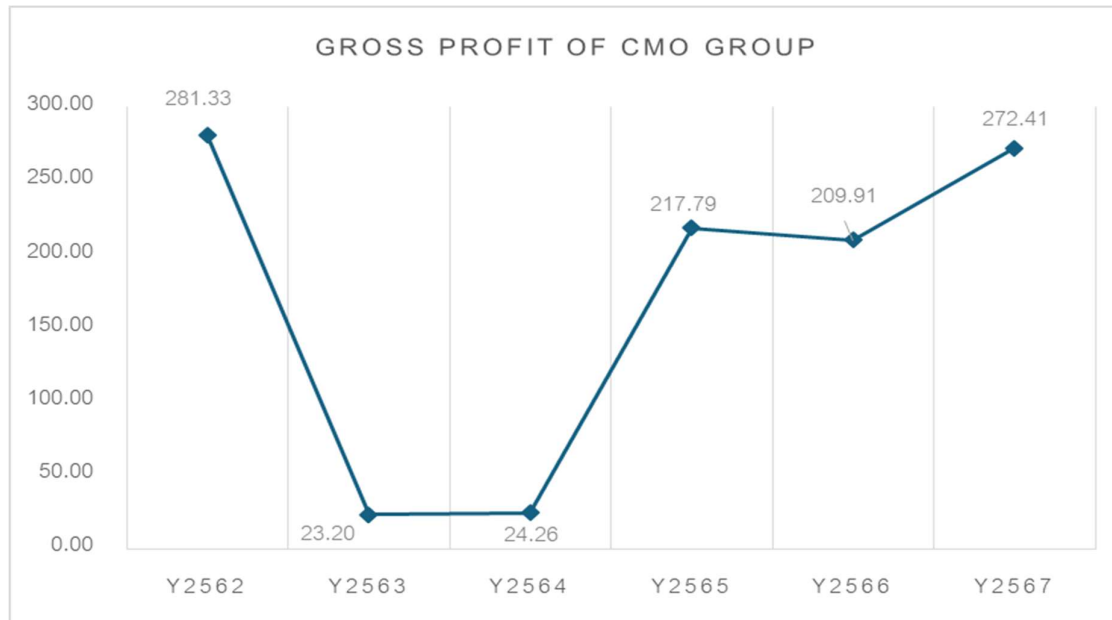
Revenue from equipment rental services totaled THB 265.06 million, a decline of THB 9.30 million or 3.39%. This slight decrease compared to the previous year was primarily due to price competition, as the equipment rental market has a high number of service providers. However, the company's expertise and experience in specialized technology, along with its investment in modern equipment, ensure that it can meet customer demands effectively.

Revenue from media production services amounted to THB 5.60 million, a decrease of THB 10.80 million or 66%. The significant decline was due to high competition, with an increasing number of service providers and intense price competition, particularly in general media production. The company is currently reviewing business expansion opportunities in related fields with higher growth potential, such as digital content or streaming services. Additionally, it is reassessing target customer segments and distribution channels to enhance its competitiveness in the evolving market.

Revenue from equipment installation services reached THB 196.12 million, an increase of THB 3.55 million or 2%. The company continues to enhance its growth potential to provide high-quality, fully integrated infrastructure services. It maintains a policy of sourcing high-quality products that meet customer requirements and industry standards (TISI certification) to build customer confidence. The company aims to be a leading provider of equipment for major industrial trade shows, technology and innovation exhibitions, such as Motor Expo 2024, OTOP CITY 2024, Home and Garden Fair 2024, and Metalex 2024.

Revenue from concert services declined by THB 42.22 million or 100%, as the company did not generate any revenue from this segment in 2024.

Analysis of Service Costs and Gross Profit Margin



The graph depicting the movement of the gross profit margin from 2019 to 2024 illustrates its correlation with revenue during the period affected by the pandemic. As revenue rebounded, the company's gross profit margin also gradually returned to levels similar to those before the crisis. Throughout this period, the company has continuously adapted and revised its management strategies. As a result, in 2024, the company's service costs amounted to THB 975.18 million, a decrease of THB 93.62 million or 9% compared to the previous year. This cost reduction was driven by a strategic shift in project selection. While the overall project value may have decreased, the company prioritized projects with higher profit margins rather than accepting a large number of low-margin projects. Additionally, improvements in team structure and the development of a fully integrated service model helped reduce event organization costs. Consequently, service costs decreased at a greater rate than revenue (2% revenue decline versus 9% cost reduction). Due to these strategic adjustments, the company achieved a gross profit of THB 272.41 million in 2024, with a gross profit margin of 22%, up from 16% in the previous year. Despite a slight revenue decline, this improvement highlights the company's focus on quality, the expansion of its high-value customer base, and its long-term business growth potential. These factors could contribute to a return to net profitability in the future.

Analysis of Selling and Administrative Expenses

In 2024, the company and its subsidiaries incurred selling and administrative expenses of THB 303.66 million, a decrease of THB 34.58 million or 10% compared to the previous

year. Despite facing business challenges, management sought to balance cost control with employee support, maintaining budget allocations for employee morale and motivation, which are crucial to the company's operations. However, the company also adjusted its management strategies by reducing unnecessary operating costs and improving operational efficiency. However, in 2024, the company still incurred one-time expenses amounting to THB 35.34 million, which included THB 19.49 million in expenses related to issuing convertible bonds to enhance long-term liquidity, THB 14.47 million in legal expenses due to non-recurring legal matters, and THB 1.40 million in organizational restructuring costs. Despite these exceptional costs, these decisions were made with a long-term sustainable growth strategy.

Analysis of Financial Costs and Income Tax Expenses

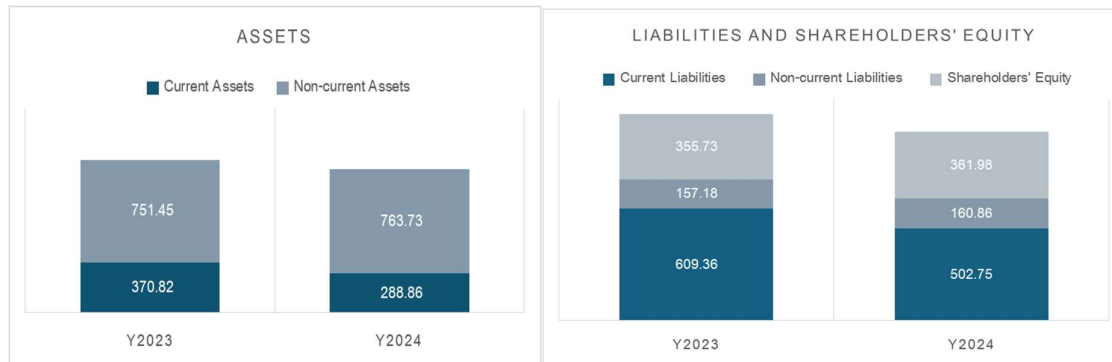
In 2024, the company and its subsidiaries reported financial costs of THB 20.51 million, a reduction of THB 6.49 million or 24% compared to the previous year. This reflects successful cost management, primarily achieved through loan repayments THB 116.64 million in financial institution loans, THB 30 million in matured debentures, and THB 15.57 million in other short-term loans. In total, the company repaid THB 162.21 million in 2024, significantly reducing interest expenses and strengthening financial stability.

Income tax expenses in 2024 amounted to THB 42.39 million, an increase of THB 30.76 million or 264%. This increase was due to an adjustment in deferred tax assets related to past losses since 2020. To ensure that financial statements accurately reflect the company's financial position, this adjustment was recognized as an expense in 2024, totaling THB 32.61 million.

Analysis of Net Profit (Loss)

In 2024, the company and its subsidiaries reported a net loss of THB 97.95 million, an improvement of THB 71.27 million compared to the previous year. Although profitability has not yet been restored, the company has significantly reduced losses through strategic business adjustments.

Analysis of Financial Position and Cash Flow Statements



Assets

As of December 31, 2024, the company and its subsidiaries had total assets of THB 1,025.60 million, consisting of current assets of THB 288.86 million and non-current assets of 371 million baht. This represents a decrease of THB 96.67 million, mainly due to a decrease in trade receivables and other current receivables of THB 113.90 million, as a result of timely debt repayments, which improved cash flow from operations and enabled the company to pay its debts according to plan. Assets arising from contracts decreased by THB 20.84 million due to faster delivery of work to customers. Deferred tax assets decreased by THB 25.94 million as a result of adjustments for items that could not be utilized in the future.

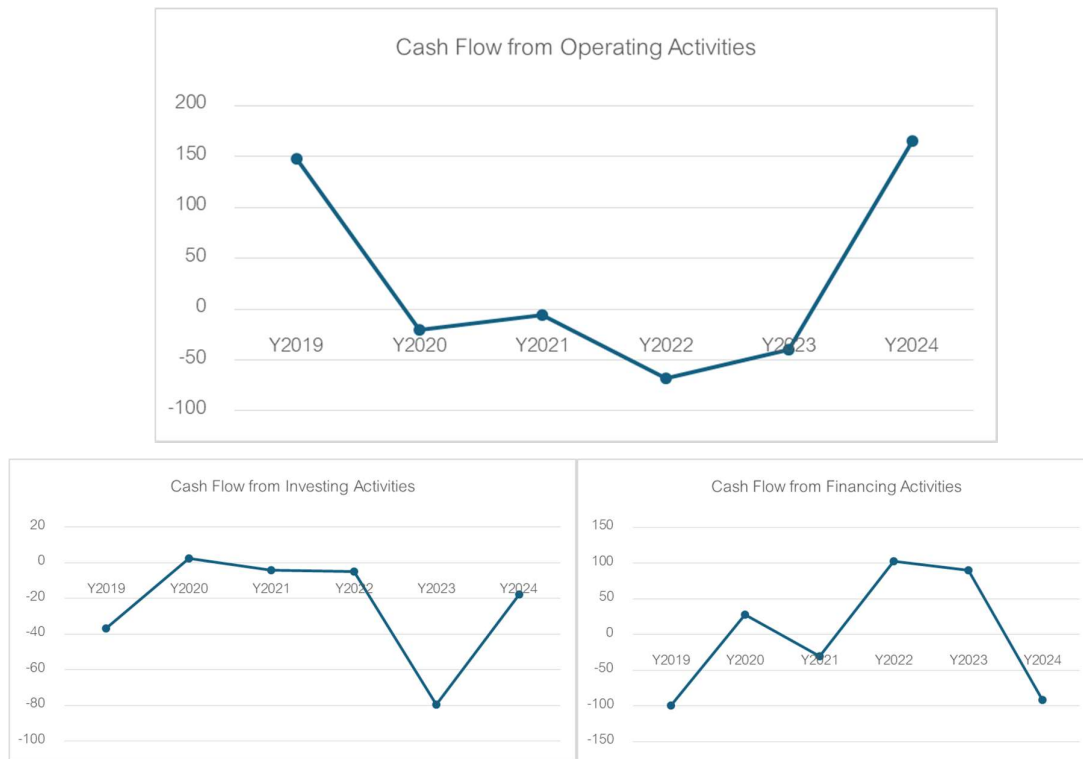
Liabilities

As of December 31, 2024, the company and its subsidiaries had total liabilities of THB 683.61 million, consisting of current liabilities of THB 502.75 million and non-current liabilities of THB 160.86 million, representing a decrease of THB 102.92 million. This decrease was mainly due to a reduction in overdrafts and short-term loans from financial institutions by THB 106.95 million, as the company had improved cash flow from operations, which increased liquidity for debt repayment. Short-term loans from individuals and other entities decreased by THB 15.57 million due to the repayment of bonds amounting to THB 100 million, with THB 50 million still outstanding, which will be paid in full by November 2025.

Shareholders' Equity

As of December 31, 2024, the company and its subsidiaries had total shareholders' equity of THB 361.98 million, an increase of THB 6.25 million. In 2024, the company increased its registered capital and called up THB 145.21 million, while the share premium decreased by THB 43.56 million, and accumulated losses increased by THB 115.83 million.

Analysis of Cash Flow



As of December 31, 2024, the company and its subsidiaries showed a significant improvement in cash flow from operating activities, with a positive cash flow of THB 165.41 million in 2024, the highest level in the past six years. This reflects better cash management efficiency and indicates a promising recovery for future investments or debt repayments according to schedule.

The graph showing cash flow from investing activities in 2024 reflects investment in operational equipment to generate revenue. In 2024, the company used THB 17.62 million for investing activities, compared to THB 79.39 million in 2023, which was mainly used for investment in a subsidiary.

The graph showing cash flow from financing activities in 2024 shows that THB 91.19 million was used in financing activities, mostly for debt repayments to financial institutions and the repayment of bonds.

Analysis of Key Financial Ratios

Financial Ratios	Unit	2024	2023	2022
Liquidity Ratios				
Current Ratio	Times	0.57	0.61	0.87
Quick Ratio	Times	0.48	0.49	0.52
Cash cycle	Days	-6	14	14
Avg. inventory period	Days	4	15	15
Avg. collection period	Days	61	68	57
Avg. payment period	Days	71	65	58
Cash Liquidity Ratio	Times	0.30	-0.07	-0.14
Profitability Ratios				
Gross Profit Margin	%	22	16	18
EBIT Margin	%	-2	-9	-0.3
Net Profit Margin	%	-7	-13	-2.6
Return on Equity	%	-27	-39	-7
Efficiency Ratios				
Return On Assets	%	-9	-14	-3
Total Assets Turnover	Times	1.17	1.10	1.07
Financial Policy Ratios				
Debt to Equity Ratio	Times	1.83	2.15	1.33
Interest Coverage Ratio	Times	-1.09	-4.37	-0.19
Debt to Assets Ratio	Times	0.65	0.68	0.57
Net IBD to Equity	Times	0.94	1.34	0.75
DSCR Ratio	Times	0.10	-0.15	0.22

In 2024, the analysis of key financial ratios demonstrated a clear recovery direction as follows:

- Improvement in Working Capital Management
 - The Cash Cycle turned negative at (-6) days, reflecting improved working capital management by:
 - Reducing the inventory turnover period to just 4 days.
 - Reducing the receivables collection period to 61 days, shorter than the payables period of 71 days, which improved liquidity.
 - Effective working capital management helped reduce financial costs.

2. Enhancement in Profitability

- The gross profit margin increased to 22%, indicating:
 - Better cost control.
 - A focus on high-margin projects.
 - Improved operational efficiency.

3. Increased Operational Efficiency

- The asset turnover ratio increased to 1.17 times, reflecting:
 - More efficient asset utilization.
 - Greater ability to generate revenue per asset.

4. Advancement in Financial Structure Management

- The debt-to-equity ratio decreased from 2.15 times to 1.83 times, reflecting:
 - Better ability to reduce debt burdens.
 - Strengthened financial structure.
 - Improved financial risk management.

However, the company still needs to improve liquidity, which remains below 1. The company continues its efforts to enhance profit margins by controlling costs and improving operational efficiency to strengthen liquidity further.

Please be informed accordingly,

Sincerely Yours,

(Mr. Kitisak Jampathipphong)

Chief Executive Officer

CMO Public Company Limited