

Netbay IR 03/2562

28 February 2019

Subject: Management Discussion and Analysis for the year 2018

To: The President The Stock Exchange of Thailand

Overview of Operating Results for the year 2018

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the year ended 2018 was Baht 361.61 million, increasing Baht 46.82 million or 14.87% from the year ended 2017. The growth of revenues from Digital Business Services* derived from the Company that was able to maintain its existing customers and expand more new customers, including enhance the variety of services. In addition, the company had a non-recurring income from developing software service.

Cost of services for the year ended 2018 was Baht 70.57 million, decreasing Baht 0.30 million or 0.42% from the year ended 2017. Cost of service slightly decrease due to cloud computing service rate reduce comparing to previous year.

Service and administrative expenses for the year ended 2018 was Baht 142.11 million, increasing Baht 14.28 million or 11.17% from the year ended 2017, in line with total revenues. The proportion of service and administrative expenses to total revenue from service was 39.30%, decrease from last year (2017: 40.61 %). This showed the Company’s ability to maintain proportion of service and administrative expenses to total revenues.

The company’s net profit for the year ended 2018 was Baht 148.81 million, increasing Baht 33.01 million or 28.51% from the year ended 2017. The rise in net profit was due to the growth in revenue and the efficiency in the management of service and administrative expenses of the Company.

***Digital Business Services are combinations of existing services, which are e-Trade Finance Supply Chain and e-Business Services, in order to reflect boarder view of business for clearer and more understanding. At present, every business sector has already understood and seen them as the same business segment.**

As at December 31, 2018, the Company's total assets was Baht 610.66 million and total liabilities was Baht 138.79 million. Shareholders' equity amounted Baht 471.87 million, increasing Baht 53.43 million from the end of year 2017 due to the increase in net operating profit during the year.

Debt to equity ratio as at December 31, 2018 was 0.29 (31 December 2017: 0.27). Book value per share was Baht 2.36 (31 December 2017: Baht 2.09 per share).

Please be informed accordingly.

Yours sincerely,



(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited