

- Translation –

12 May 2022

Subject Management Discussion and Analysis for 3-month period ended 31 March 2022

Attention To President, The Stock Exchange of Thailand

Successmore Being Public Company Limited (“the Company”) would like to provide Management Discussion and Analysis for 3-month period ended 31 March 2022 as follows

**Financial Performance Summary for 3-month period ended 31 March 2022**

Items	For period ended					
	31 March 2022		31 March 2021		Change	
	THB MIn	%	THB MIn	%	THB MIn	%
Revenue from Sales						
Sales through Businessmen	261.9	93.2%	252.9	85.6%	9.0	3.6%
Sales through Distribution Agents	5.8	2.1%	21.0	7.1%	(15.2)	(72.4%)
Revenue from Services	1.4	0.5%	5.4	1.8%	(4.0)	(74.0%)
<b>Total Revenue from Sales and Services</b>	<b>269.1</b>	<b>95.8%</b>	<b>279.3</b>	<b>94.6%</b>	<b>(10.2)</b>	<b>(3.7%)</b>
Cost of Sales	(58.4)	(20.8%)	(73.9)	(25.0%)	15.5	(21.0%)
Cost of Services	(1.3)	(0.5%)	(4.0)	(1.3%)	2.6	(66.5%)
<b>Total Cost of Sales and Services</b>	<b>(59.7)</b>	<b>(21.2%)</b>	<b>(77.8)</b>	<b>(26.3%)</b>	<b>18.1</b>	<b>(23.3%)</b>
<b>Gross Profit</b>	<b>209.4</b>	<b>74.6%</b>	<b>201.5</b>	<b>68.2%</b>	<b>7.9</b>	<b>3.9%</b>
Other Income	11.8	4.2%	16.1	5.4%	(4.2)	(26.4%)
Selling expenses	(146.4)	(52.1%)	(144.6)	(48.9%)	(1.9)	1.3%
Administrative expenses	(26.5)	(9.4%)	(25.1)	(8.5%)	(1.4)	5.7%
<b>Profit before Finance costs and Income tax</b>	<b>48.3</b>	<b>17.2%</b>	<b>47.9</b>	<b>16.2%</b>	<b>0.4</b>	<b>0.7%</b>
Finance costs	(0.8)	(0.3%)	(0.9)	(0.3%)	0.1	(7.6%)
<b>Profit before Income tax</b>	<b>47.5</b>	<b>16.9%</b>	<b>47.1</b>	<b>15.9%</b>	<b>0.4</b>	<b>0.9%</b>
Income tax	(11.1)	(4.0%)	(11.1)	(3.8%)	0.0	(0.0%)
<b>Net Profit</b>	<b>36.3</b>	<b>12.9%</b>	<b>35.9</b>	<b>12.2%</b>	<b>0.4</b>	<b>1.2%</b>

## **Operating Results**

Unless otherwise stated, the change (increase +/decrease -) (%) shall refer to the change vs period of 2021.

### **Revenues from Sales**

Sales through businessmen for Q1/2022 rose by THB 9.0 million (+3.6%). This was mainly due to the increase in domestic sales from agricultural products since the company's agricultural product got more acceptance from customer and recommended to others by word of mouth, coupled with the rising price of fertilizers make the company's agricultural products able to enter the market and captured more attention from customers. In addition, the company can organize marketing activities in an effective online format, able to reach and stimulate the consumption of customers who are interested in the company's products as well.

Sales through distribution agents for Q1/2022 decreased by THB 15.2 million (-72.4%) as a result of the epidemic situation of the corona virus (COVID-19) in each country where the company has distributors, causing the number of new orders to be reduced because distributors in each country still have enough products (stock) to sell.

Revenue from services for Q1/2022 decreased by 4.40 million (-74.0%) due to the situation of the corona virus (Covid-19), the company has changed its marketing activities from offline format which the company recognized revenue from fee charging to the online format which is more effectiveness and reach a wider audience.

### **Other Income**

Other income decreased by THB 4.2 million (-26.4%) from the reduction in fees collected from overseas distributors, according to the decreased in sales of foreign distributors due to the impact of the corona virus (COVID-19) epidemic.

### **Selling Expenses**

Selling expenses increased by THB 1.9 million (+1.3%), this was a result of the company's activities to promote marketing and boost sales, the customers who complete the purchase criteria will receive coupons to win prizes. The company did not have such activities in the same period of the previous year.

### **Administrative Expenses**

Administrative expenses increased by THB 1.4 million (+5.7%) as a result of the company's budget using to develop information technology systems for management and customer service, follow the strategy: Driving Digital, which the company has set to perform in this year.

## Balance Sheet

Items	For period ended					
	31 March 2022		31 December 2021		Change	
	THB MIn	%	THB MIn	%	THB MIn	%
Total Assets	1,092.1	100.0%	1,048.0	100.0%	44.1	4.0%
Total Liabilities	265.2	24.3%	257.4	24.6%	7.7	2.9%
Shareholders' Equity	826.9	75.7%	790.6	75.4%	36.3	4.4%

### Total Assets

Total assets as of 31 March 2022 increased by THB 44.1 million (+4.0%), mainly due to higher receivables and cash and cash equivalents from higher sales, and higher in inventories.

### Total Liabilities

Total liabilities as of 31 March 2022 increased by THB 7.7 million (+3.0%), mainly due to increase in accounts payable and accrued income tax.

### Shareholders' Equity

Shareholders' equity as of 31 March 2022 increased by THB 124.5 million (+22.1%), mainly due to increase in retained earnings from current period profits.

### Coronavirus-2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic has continued to evolve, resulting in economic slowdown and adverse impacts to most businesses. The management team have closely monitored the situation and assessed the financial impact on an ongoing basis. No implications that lead to a material impact to the company's operating results, value of assets, liability reserves or contingent liabilities have been identified.

Please be informed accordingly.

Sincerely yours,

-Mr Noppakrit Nithilertvijit-  
(Mr Noppakrit Nithilertvijit)  
Chief Executive Officer