



9th August 2022

Subject: Management's Discussion and Analysis
Financial Performance for the year 2022 (ending 30-Jun-2022)

To: President
The Stock Exchange of Thailand

SABUY Technology Public Company Limited ("the Company") would like to provide the Management Discussion and Analysis for quarter 2 of the year 2022 (ending 30-Jun-2022) as follow

Significant Changes in Q2 2022

Since 2021 the Company has expanded several business synergies and entered various partnerships by continuous investment and joint investment to fulfill SABUY's ecosystem and customer's needs. In 2022, the Company re-grouped its main businesses into **6 pillars** which are **1. Connex**, **2. Enterprise & Life**, **3. Payments & Wallet**, **4. Financial Inclusion**, **5. InnoTainment** and **6. Venture** in conjunction with significant investments in propelling the growth of business. The details of major changes and business types are as follows:

Connex

The Group invested in Thiensurat Public Company Limited ("**TSR**"), which operates a business in the distribution of double-filter countertop water purifiers primarily through direct sales and conducts non-bank financial institution through Thiensurat Leasing Company Limited ("**TSRL**") under the brand "PonSabuy" which sells electrical appliances by installments as well as providing personal loans, including loans for car registration. The Company also invested in Double Seven Company Limited ("**DOU7**"), a subsidiary of ComSeven Public Company Limited ("**COM7**"), which is the service provider for the operation and management of commercial space for 3rd parties.

Additionally, the Company has also invested in Blue Parking Company Limited, a market leader in cloud-based parking management systems that connect customers and parking service providers by installing cutting-edge



intelligent parking management systems such as barrier gates, automatic license plate recognition, parking lot management system, and specific parking space within parking lots. This will provide the company the greater opportunity to reach out to customers and serve their demands, particularly in the business areas.

Enterprise & Life

The Company has invested in Infogrammer Company Limited (“**EasyRes**”) which operates professional restaurant management system development and service under the brand “Easy Restaurant” by covering all aspects and all sizes of the restaurant business. The Company expects to gain a large customer base in the foods and beverages section as well as expanding POS business. Furthermore, the Company has invested in **myHR Corporation Limited** to establish a joint venture which will operate a human resource management business that aims to strengthen the Company and its partners. Additionally, the Company has invested in MarketBuzz Company Limited which operates the market research that will enhance the capability of operation, customer reach, customer relationship management and the understanding of customers.

SABUY Outsourcing Company Limited was established for human resource provider business including drivers, security guards, cleaning staff, call centers, etc. to accommodate future investment. Subsequently, the Company has invested in full-service human resource management service providers, SABUY Alliance Company Limited and SKV Unity Supply Company Limited, which provide outsourcing services for various business such as DKSH in Chiangmai, Powerbuy warehouse in Samut Prakarn and Betagro in Lamphun, etc.

SABUY Fulfillment Company Limited was established to operate an investment in fulfillment services such as stock and inventory management services and delivery services to cater to e-Commerce or online business and to accommodate future investment and joint ventures.

Payments & Wallet

The Company has partnered with Platt Finserve Company Limited (“**PFS**”), an ATM/CDM machines service provider, to develop strong business synergies by leveraging PFS's strengths to generate new investment opportunities and revenue streams through rental and transaction fee revenue from ATM/CDM



machines with withdraw/deposit/transfer/bill payment functions. PFS currently holds a 10-year contract as a service provider of 10,000 ATM/CDM machines at 7-11 shops across the country. In Q2 2022, the Company already launched and installed 3 machines in front of 7-11 as follows: 1. Kittichai Villa 3, Nong Chok, Bangkok 2. Mitrpracha 2, Pak kret, Nonthaburi, and 3. Khun Naii market, Krathum Baen, Samut Sakhon.

The Company has further developed from a top-up machine business model into a counter service model via **SABUY Counter**, functions include mobile top-up, bill payment, products and services including e-wallet top-up whether SABUY Money, True Money, ShopeePay, Rabbit Line Pay, etc. Including various financial transactions for reaching customers in SABUY ecosystem, especially the Drop-off business section by operating through SABUY Speed stores.

Financial Inclusion

With the strong potential of SABUY's ecosystem that outreach every Thai community, this enables the Company to invest and expand into financial services. The Company has invested in CarFinn Inter Group Company Limited (**“CarFinn”**) which operates an auto hire purchase and leasing business that can synergize and expand customer base together with SABUY Maxi Insurance Brokerage. OMoney Group who hold 3 pico finance licenses in provincial level operating in Bangkok, Pathumthani, and Samutsakorn through its application and AI in disbursing loans to customers.

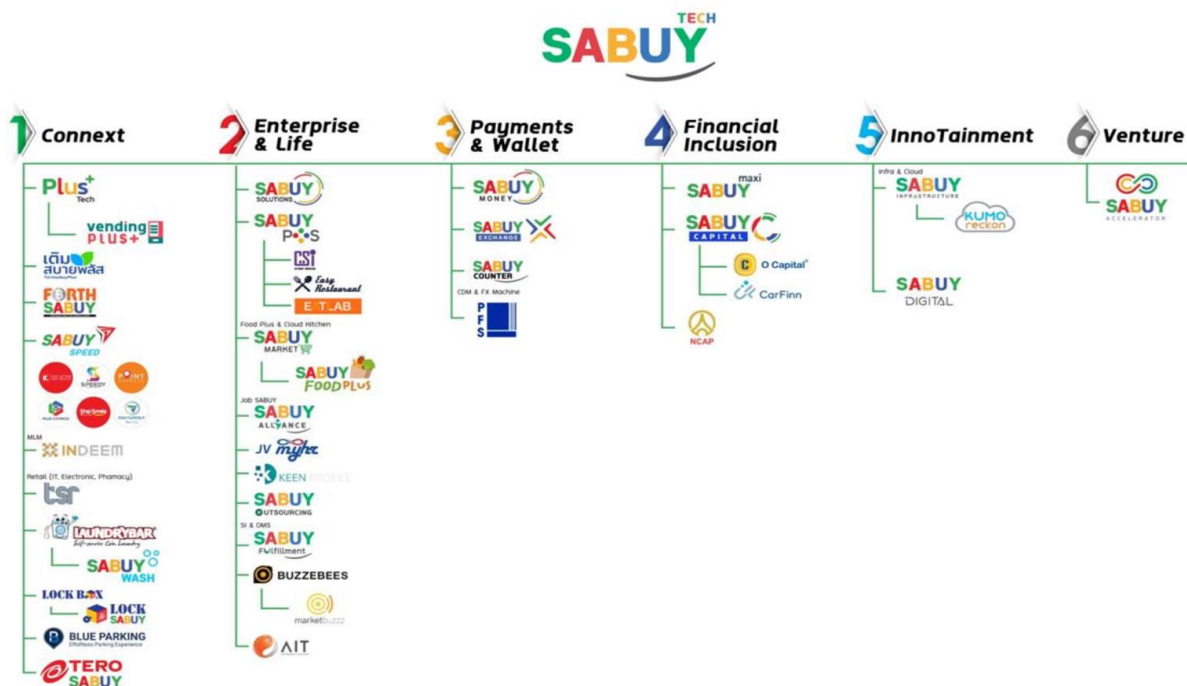
In Q2 2022, the Company invested in share subscription via private placement for Nakhonluang Capital Public Company Limited **which** holds license from the Ministry of Finance under supervision of the Bank of Thailand (**“BOT”**) for the operation of personal loan under the supervision and operate nano-finance loans such as car pledge registration, car pledge registration for farmers, used car rental, land loans and commercial real estate loans.

InnoTainment

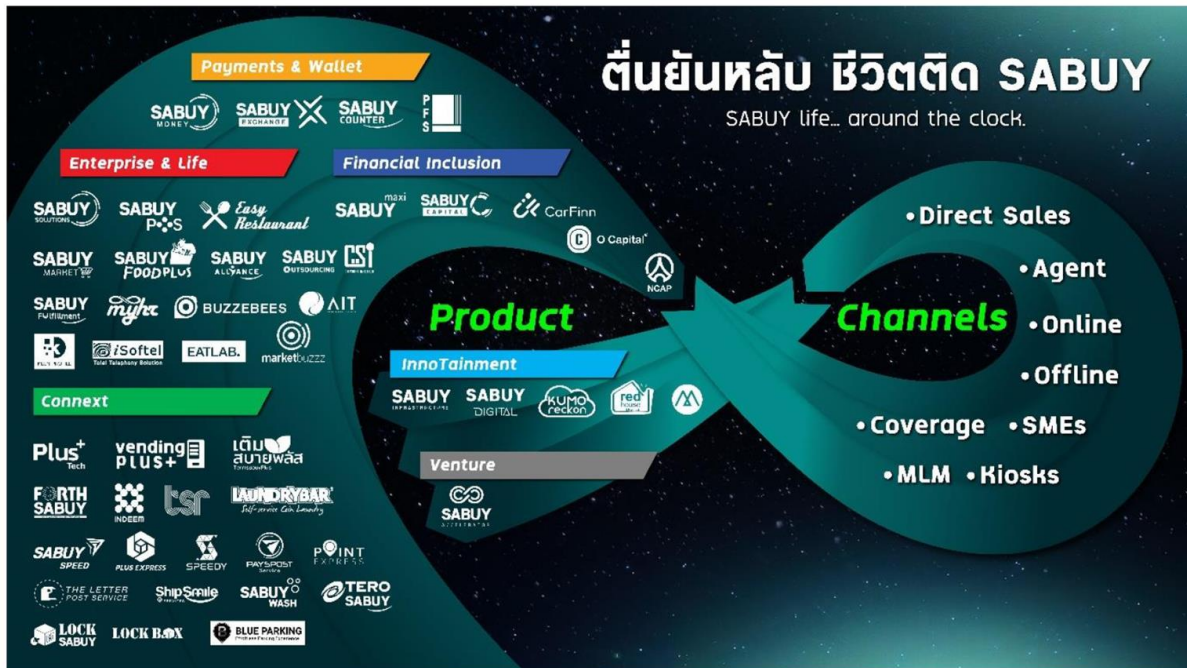
The Company has established SABUY Infrastructure Company Limited to consider investment in the IT infrastructure business such as: Data Center and/or Cloud Services. The Company also invested in Kumo Recon Company Limited, a cloud and depository service, commercial cloud hosting services including storage cloud, memory cloud and computing cloud. Kumo can also reduce the operating costs related to information and program services which will strengthen the Company's ecosystem and partners.

Venture

The Company is in process of applying for licenses from the Securities and Exchange Commission (SEC). SABUY Accelerator Company Limited is aiming in innovation businesses in order to expand an investment of the group of companies thus increase potential of products and services in SABUY's ecosystem.



It can be seen that the company continues to expand business in many areas, both horizontally and vertically to strengthen the ecosystem to meet consumer expectations by expanding new pillars such as InnoTainment to reach a wider range of consumer lifestyles as well.



Strategy and goals for 2022

The Company continues to follow “**SABUYVERSE The Next Visionary**” or **SABUY’s universe** which covers business and lifestyle for Thai people. The strategy is 7-7-7 classified as 7 Conveniences, 7 SMARTs and 7 Rising stars as follows:

7 Conveniences for the convenient life of customers from waking up until going to bed with the service from SABUY including buy conveniently, deliver conveniently, launder conveniently, use conveniently, spend conveniently, transfer conveniently and pay conveniently.

7 SMARTs for technology and innovation development in order to cover all target segments, including SMART Factory, SMART Office, SMART School, SMART Canteen, SMART Parking, SMART Home and SMART Locker.

7 Rising Stars is setting a strategy to expand the investment into the Rising Star business including SABUY Digital, SABUY Accelerator, SABUY As A Solutions (SAAS), SABUY Speed, SABUY Channel, SABUY Media and SABUY Infrastructure.

Financial Performance for Q2 2022

Financial performance for the second quarter of 2022 (ending 30-Jun-2022)

	Q2'21 THB mm	Q1'22 THB mm	Q1'22 THB mm	Change Y-on-Y	Change Q-on-Q
Revenue from rendering service	195.0	388.9	426.8	118.9%	9.8%
Revenue from sales of goods	125.3	267.1	262.8	109.8%	-1.6%
Revenue from Rendering of Contract and interest income from installment sales	67.2	79.1	66.3	-1.3%	-16.1%
Total Revenue¹	387.5	735.0	756.0	95.1%	2.9%
Gross profit	180.0	225.8	214.5	19.1%	-5.0%
Total Expenses	125.2	148.8	238.7	90.7%	60.4%
Net Income from Equity Instruments	-	-	420.3	-	-
Net profit	46.7	119.6	367.5	687.5%	207.4%
Net profit of parent	47.1	107.3	356.3	656.6%	232.1%
Gross profit	%	46.5%	30.7%	28.4%	
Net profit	%	12.0%	16.3%	48.6%	
Earning per shares ²	Baht	0.05	0.09	0.26	

Note: 1. Total Revenue was THB 756.0 million excludes other revenue of THB 87.4 million and profit sharing of the joint venture and associates.

2. Calculated from no. of shares of 1431.2 million shares as of 30 June 2022.

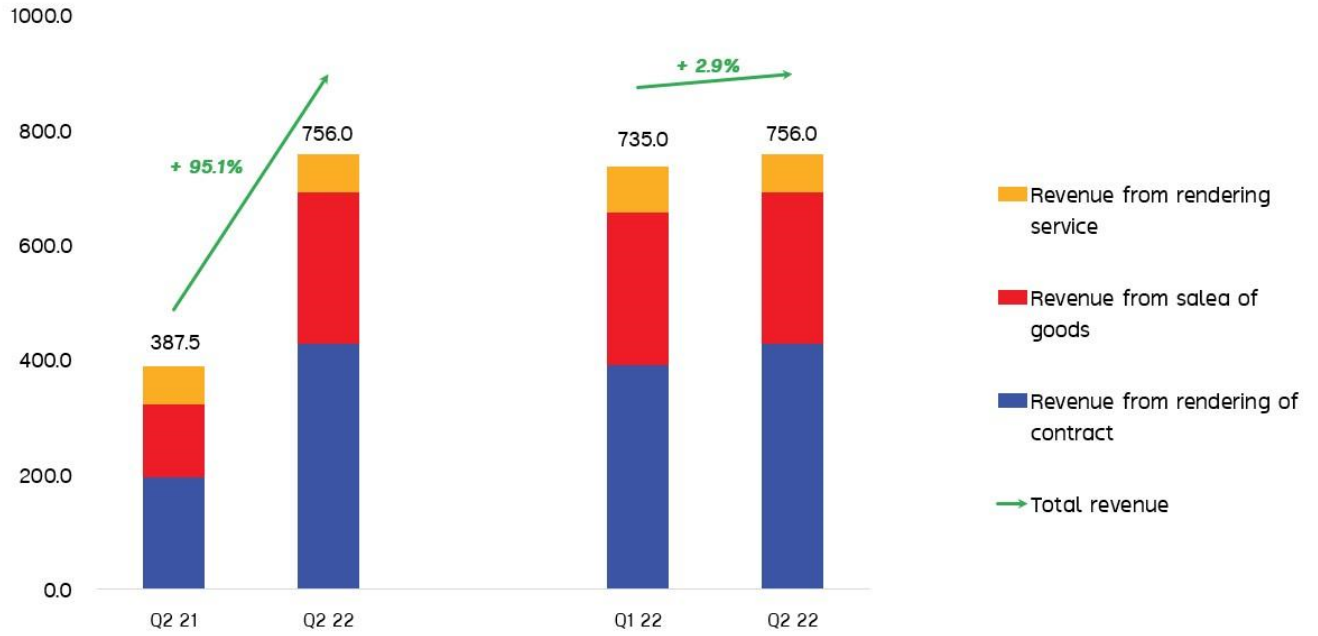
Revenue

Sales and services revenue of the Company in Q2 2022 (ending 30-Jun-2022) was THB 756.0 million, representing an increase of THB 368.5 million or 95.1% from the same period last year and increased THB 21.0 million or 2.9% from previous quarter. Total revenue in this quarter increased due mainly to an increase in the number of product sales through vending machines and positively recognized revenue from Drop-off business which showed strong growth together with changing strategies with main partners; Kerry express, in terms of increasing overall revenue and revenue per branch.

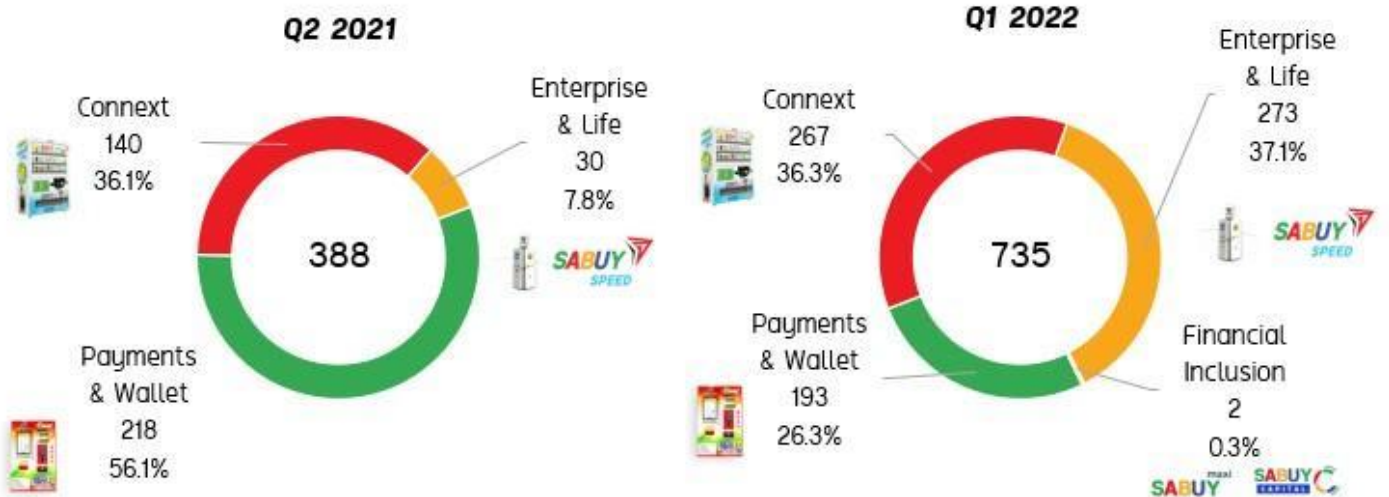
The details of revenue are as follows:

1. Services revenue for Q2 2022 was THB 426.8 million, with an increase of THB 231.8 million or 118.9% services revenue improvement from the same period last year and increased by THB 38.0 million or 9.8% from the previous quarter. This was due mainly to The Letter Post, M Point Express, Paypost which are under Drop-off business that started recognizing revenue full quarter and generate higher amounts of revenue. As of 30 June 2022, the Company had approximately 13,527 drop-off locations countrywide under SABUY SPEED management; ShipSmile, The Letter Post, M Point Express, Paypost, and Speedy Express. The Company has 12,100 branches, with an increase of 1,427 branches as compared to previous quarter.
2. Sales revenue for Q2 2022 was THB 262.8 million, with an increase of THB 137.5 million or 109.8% sales revenue improvement from the same period last year and slightly decreased THB 4.3 million or 1.6% from previous quarter. This was due mainly to the vending machines, under Vending Plus, the Company has recognized higher revenue in this quarter as a result of an increase in vending machine sales. As of 30 June 2022, the Company has sales of vending machines around 9,300, increasing by 126 machines. However, a drop in plastic card unit sales in Q2 2022 resulted in a decrease in total revenue in Q2 2022 as compared to previous quarter.
3. Revenue of contract service for Q2 2022 was 66.3 million, representing a marginal decrease of THB 0.9 million or 1.3% from the same period last year and decreased THB 12.8 million or 16.1% from previous quarter. This was due mainly to remedial programs launched in second half of last year which affected the debt collection effectiveness in the Q1 2022 as well as maintaining the quality of assets of top-up machines installments.

Revenue



Total Revenue
(Million Baht)



Gross profit

The consolidated gross profit for Q2 2022 (ending 30-Jun-2022) was THB 214.5 million, a THB 34.5 million or 19.1% increase from the same period last year and decreased by THB 11.3 million or 5.0% from the previous quarter.

The Company's Gross Profit Margin for Q2 2022 was at 28.4%, decreased from 46.5% from the same period last year and decreased from 30.7% from the previous quarter.

Gross profit margin in Q2 2022 dropped from 46.5% to 28.4% from the same period last year due mainly to an extreme price competition in drop-off business, the Company has changed price strategies in order to maintain the customer base and increase the number of parcels. Therefore, changes in strategies has affected dropped gross profit compared to Q1 2022. Nevertheless, the revenue from drop-off business still increased from the previous quarter.

Selling and Administration (SG&A) Expenses

SG&A expenses for Q2 2022 (ending 30-Jun-2022) totaled THB 238.7 million, an increase of THB 113.5 million or 90.7% from the same period last year due to an administrative expense from expanding an organization structure in this quarter; SABUY Alliance which provides outsourcing services, O Money Capital which invests in personal loans business, SABUY Digital which operates digital assets business and Drop-off business which is under SABUY Speed. Besides, the Company has recognized several one-time expenses in Q2 2022 from building and expanding of the Company's foundation including Financial Advisory, Legal expense, etc. Moreover, the Company has hired additional expert executives and employees in order to facilitate expanding business operations. The Company also incurred higher interest expenses from long-term and short-term loans as well as debenture to support the Company's investing along with costs from allocating and selling Employee Stock Ownership Plan (ESOP3) to board of directors and employees.

More importantly, the Company also recognized marketing expenses from participating in Money Expo event 2022 and additional expenses from consolidating vending machines (Forth Vending) business.

Additionally, the SG&A expenses for Q2 2022 increased by THB 73.4 million or 44.4%. As mentioned above, this is due mainly to business expansion expenses as compared to Q1 2022.

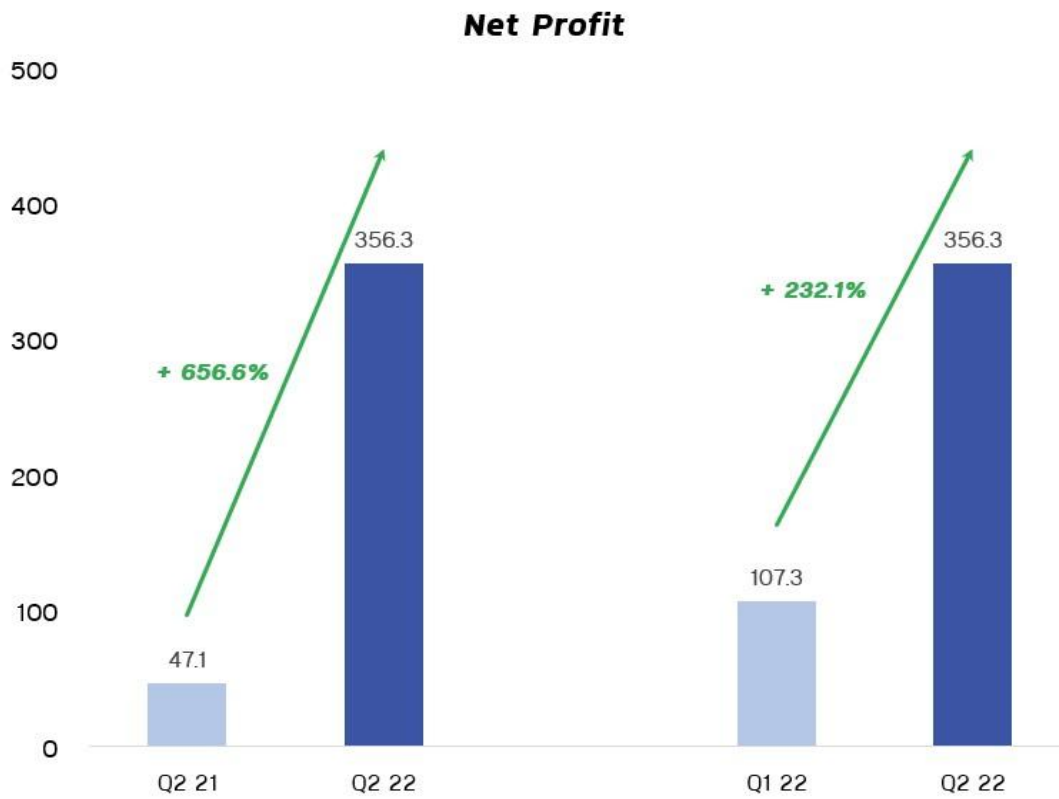
Expenses Description	Amount (Million Baht)
Incremental Expenses in Q2 2022	
Marketing Expenses Including Money Expo and Crypto Expo	15.0
Acquisition Expenses for Forth Vending	10.0
Advisory Expenses in Group (Investment and Legal)	20.0
Expenses for Acquisitions New Business	15.0
Additional Salary for Managements and Staffs from New Businesses	14.0
ESOP and Warrant	9.0
Expenses for Investments	12.0
Incremental Interest Expenses	8.0
Total Incremental Expenses in Q2 2022	103.0

Net Profit

The Company's net profit for Q2 2022 (ending 30-Jun-2022) totaled THB 356.3 million, a significantly increase of THB 309.2 million or 656.6% from the same period last year and strongly increase of THB 249.0 million or 232.1% from the previous quarter. This is due mainly to the recognition of investment in TSR, the manufacturer and direct sale of water distillation system operators, Buzzebees, a platform and organizational management as the customer relationship management (CRM) and a loss from an investment recognition in AIT. Including, fully recognized the revenue from The Letter Post, M Point Express and Paypost in Drop-off business which are under SABUY Speed.

By considering the net profit deducted with the profit from the investment valuation, the normal operating profit seems to be only THB 20.1 million as shown in the table below. However, as the Company is building and expanding the foundation, the incremental expenses in Q2 2022 have adversely impacted the result. By eliminating those incremental expenses, the Company should have net profit up to around THB 123.1 million in Q2 2022.

Description	Amount (Million Baht)
Q2 2022 Net Profit in Details	
Net Profit of Parent	356.3
Gain on Measurement of Investment (Net After Tax)	336.2
Profit from Normal Operation	20.1
Additional Expenses in Q2 2022	103.0
Net Profit of Parent after Deducted Administrative Expenses in Q2 2022	123.1



Statement of financial position at the end of 30-Jun-2022

Statement of financial position at the end of 30-Jun-2022

Description	For the period as of					
	31 December 2021		30 June 2022		Change	
	THB mm	%	THB mm	%	THB mm	%
Total Assets	6,136.5	100.0	11,244.7	100.0	5,108.2	83.2
Total Liabilities	2,748.6	44.8	3,920.1	34.9	1,171.5	42.6
Total shareholders and equity	3,387.9	55.2	7,324.6	65.1	3,936.7	116.2
Equity of Parent	2,937.3	47.9	6,501.5	57.8	3,564.2	121.3
Current Ratio (Time)	0.90		1.13			
Debt to Equity Ratio (Time)	0.81		0.54			
Interest bearing debt to equity (Time)	0.34		0.44			

Total Assets

Total assets as of 30-Jun-2022 increased by THB 5,108.2 million or 83.2% from last year resulting from

1. Goodwill and Intangible assets increased by THB 232.2 million due mainly to an investment of the Company.
2. The investment increased by THB 4,234.7 million due mainly to an investment in Thiensurat Public Company Limited, Buzzebees Company Limited, Advance Information Technology Public Company Limited, Nakhonluang Capital Public Company Limited, Keen Profile (Thailand) Company Limited, Eatlab Company Limited, Lockbox Group Company Limited and DoubleSeven Company Limited, etc.

Total Liabilities

Total liabilities as of 30-Jun-2022 increased by THB 1,171.5 million or 42.6% resulting from an increase of short-term and long-term loans and debenture to support the Company's investing.



Shareholders' Equity

Shareholders' equity as of 30-Jun-2022 solidly increased more than twice by THB 3,936.7 million or 116.2% due to

1. Increase of the Company's ordinary shares as a return on investments accounted for THB 3,169.1 million to Platt Finserve Company Limited, Thiensurat Public Company Limited, Advance Information Technology Public Company Limited, DoubleSeven Company Limited and Nakhonluang Capital Public Company Limited.
2. Allocating and selling Employee Stock Ownership Plan (ESOP1 & ESOP2) and SABUY-W1 for THB 228.5 million to board of directors, employees and shareholders for exercising ESOP1, ESOP2 and SABUY-W1.

Analysis of Key Financial Ratios

Current Ratio

The current ratio as of 30-Jun-2022 was increased to 1.13x, from 31-Dec-2021 at 0.90x.

Debt-To-Equity Ratio

The debt-to-equity ratio as of 30-Jun-2022 was decreased to 0.54x, from 31-Dec-2021 at 0.81 resulting from the increase of the Company's ordinary shares, allocating and selling Employee Stock Ownership Plan (ESOP) 1 & 2 and SABUY-W1 and the changes of non-controlling interests and so forth.

Interest Bearing Debt to Equity

The Interest-Bearing Debt to Equity as of 30-Jun-2022 was increased to 0.44x, from 31-Dec-2021 at 0.34.



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Please be informed accordingly

Your Sincerely,

Mr. Chookiat Rujanapornpajee
Group Chief Executive Office