

- Translation –

8 August 2022

Subject Management Discussion and Analysis for 6-month period ended 30 June 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 6-month period ended 30 June 2022 as follows

Financial Performance Summary for 6-month period ended 30 June 2022

Items	For period ended					
	30 June 2022		30 June 2021		Change	
	THB Mln	%	THB Mln	%	THB Mln	%
Revenue from Sales						
Sales through Businessmen	534.4	91.3%	486.6	86.0%	47.8	9.8%
Sales through Distribution Agents	19.2	3.3%	34.7	6.1%	(15.5)	(44.7%)
Revenue from Services	3.4	0.6%	8.3	1.5%	(4.9)	(59.3%)
Total Revenue from Sales and Services	556.9	95.1%	529.6	93.6%	27.3	5.2%
Cost of Sales	(127.4)	(21.8%)	(119.2)	(21.1%)	(8.2)	6.9%
Cost of Services	(3.1)	(0.5%)	(6.2)	(1.1%)	3.1	(50.3%)
Total Cost of Sales and Services	(130.5)	(22.3%)	(125.4)	(22.2%)	(5.1)	4.0%
Gross Profit	426.5	72.8%	404.2	71.5%	22.3	5.5%
Other Income	28.5	4.9%	36.1	6.4%	(7.6)	(21.0%)
Selling expenses	(281.5)	(48.1%)	(277.8)	(49.1%)	(3.7)	1.3%
Administrative expenses	(54.1)	(9.2%)	(49.5)	(8.8%)	(4.6)	9.3%
Profit before Finance costs and Income tax	119.4	20.4%	113.0	20.0%	6.4	5.6%
Finance costs	(1.5)	(0.3%)	(1.7)	(0.3%)	0.2	(11.2%)
Profit before Income tax	117.9	20.1%	111.3	19.7%	6.6	5.9%
Income tax	(25.0)	(4.3%)	(22.7)	(4.0%)	(2.3)	10.3%
Net Profit	92.8	15.9%	88.6	15.7%	4.2	4.8%

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 H1 2022 rose by THB 47.8 million (+9.8%). 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 H1 2022 decreased by THB 15.5 million (-44.7%) as a result of the epidemic situation of the corona virus (COVID-19) in each country where the company has distributors while the organizing online marketing activities in these countries still in the beginning stage compared to online activities in Thailand. As a result, sales of distributors in each country decreased and causing the number of new orders from Thailand to be reduced compared to the same period of the previous year.

Revenue from services for H1 2022 decreased by 4.9 million (-59.3%) 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 7.6 million (-21.0%) 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 3.7 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 4.6 million (+9.3%) 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					
	30 June 2022		30 June 2021		Change	
	THB MIn	%	THB MIn	%	THB MIn	%
Total Assets	1,007.3	100.0%	1,048.0	100.0%	(40.7)	(3.9%)
Total Liabilities	231.5	23.0%	257.4	24.6%	(25.9)	(10.1%)
Shareholders' Equity	775.8	77.0%	790.6	75.4%	(14.7)	(1.9%)

Total Assets

Total assets as of 30 June 2022 decreased by THB 40.7 million (-3.9%), mainly due to decrease in cash and cash equivalents. In the first 6 months of 2022, the company had continuously received cash from sales. However, the company had paid the dividend on 25 May 2022 in the amount of THB 102.0 million. As a result, the cash and cash equivalents of the company decreased.

Total Liabilities

Total liabilities as of 30 June 2022 decreased by THB 25.9 million (-10.1%), mainly due to decrease in accounts payable and other current liabilities.

Shareholders' Equity

Shareholders' equity as of 30 June 2022 decreased by THB 14.7 million (-1.9%), mainly due to decrease in retained earnings after the dividend payment on 25 May 2022.

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,

-Noppakrit Nithilertvijit-
(Mr. Noppakrit Nithilertvijit)

Chief Executive Officer