

- Translation –

8 November 2022

Subject Management Discussion and Analysis for 9-month period ended 30 September 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 9-month period ended 30 September 2022 as follows

Financial Performance Summary for 9-month period ended 30 September 2022

Items	For period ended					
	30 September 2022		30 September 2021		Change	
	THB Mln	%	THB Mln	%	THB Mln	%
Revenue from Sales						
Sales through Businessmen	778.2	88.7%	791.5	85.2%	(13.3)	(1.7%)
Sales through Distribution Agents	52.5	6.0%	68.5	7.4%	(16.0)	(23.4%)
Revenue from Services	4.5	0.5%	13.6	1.5%	(9.1)	(66.9%)
Total Revenue from Sales and Services	835.2	95.2%	873.6	94.1%	(38.4)	(4.4%)
Cost of Sales	(185.2)	(21.1%)	(197.9)	(21.3%)	12.7	(6.4%)
Cost of Services	(4.1)	(0.5%)	(9.7)	(1.0%)	5.7	(58.1%)
Total Cost of Sales and Services	(189.3)	(21.6%)	(207.7)	(22.4%)	18.4	(8.8%)
Gross Profit	645.9	73.6%	665.9	71.7%	(20.1)	(3.0%)
Other Income	42.2	4.8%	55.0	5.9%	(12.7)	(23.2%)
Selling expenses	(425.8)	(48.5%)	(452.1)	(48.7%)	26.3	(5.8%)
Administrative expenses	(85.7)	(9.8%)	(77.7)	(8.4%)	(8.0)	10.3%
Profit before Finance costs and Income tax	176.6	20.1%	191.1	20.6%	(14.5)	(7.6%)
Finance costs	(2.2)	(0.2%)	(2.6)	(0.3%)	0.5	(17.5%)
Profit before Income tax	174.5	19.9%	188.5	20.3%	(14.0)	(7.4%)
Income tax	(38.1)	(4.3%)	(38.8)	(4.2%)	0.7	(1.8%)
Net Profit	136.4	15.5%	149.7	16.1%	(13.3)	(8.9%)

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 9M 2022 decreased by THB 13.3 million (-1.7%). This was mainly due to the decline in domestic sales from supplementary products according to the economic slow down situation and the purchasing power of consumers which just in the recovery stage from the impact of COVID-19 epidemic. While the sales value of the company's agricultural product still continuously increasing since it 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. However, because the income from the supplementary products is in higher proportion than the income from agricultural products, as a result, the income from sales of products through businessmen in the first nine months of 2022 decreased.

Sales through distribution agents for 9M 2022 decreased by THB 16.0 million (-23.4%) 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. However, in the 3rd quarter of 2022, the company had export product to overseas distributor with the higher amount more than the export volume in the first half of 2022.

Revenue from services for 9M 2022 decreased by 9.1 million (-66.9%) 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 without fee charging.

Other Income

Other income decreased by THB 12.7 million (-23.2%) 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 decreased by THB 26.3 million (-5.8%), most of the selling expenses are the commissions that the company paid to businessmen which declined in the same direction as the decline in sales value.

Administrative Expenses

Administrative expenses increased by THB 8.0 million (+10.3%) 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 including the addition of human resource to drive the company's performance.

Net Profit

The company's net profit for the first 9 months of 2022 was THB 136.4 million, a slight decrease from the net profit for the same period of 2021, which was THB 149.7 million or decrease by THB 13.3 million. However, from the effective cost management and cost control result the net profit margin for 9M 2022 equal to 15.5%, close to the net profit margin for 9M 2021 which was 16.1%.

Balance Sheet

Items	For period ended					
	30 September 2022		30 September 2021		Change	
	THB MIn	%	THB MIn	%	THB MIn	%
Total Assets	958.7	100.0%	1,048.0	100.0%	(89.3)	(8.5%)
Total Liabilities	230.0	24.0%	257.4	24.6%	(27.4)	(10.6%)
Shareholders' Equity	728.7	76.0%	790.6	75.4%	(61.9)	(7.8%)

Total Assets

Total assets as of 30 September 2022 decreased by THB 89.3 million (-8.5%), mainly due to decrease in cash and cash equivalents. In the first 9 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 September 2022 decreased by THB 27.4 million (-10.6%), mainly due to the reduction of corporate income tax payable and reduction of lease liabilities.

Shareholders' Equity

Shareholders' equity as of 30 September 2022 decreased by THB 61.9 million (-7.8%), 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