



9<sup>th</sup> November 2022

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

To: The President  
The Stock Exchange of Thailand

SABUY Technology Public Company Limited (“the Company” or “SABUY”) would like to provide the Management Discussion and Analysis for quarter 3 of the year 2022 (ending 30-Sep-2022) as follow

### **Significant Changes in Q3 2022**

Since 2021 the Company has extensively expanded businesses and entered various partnerships by continuous investment and/or joint investment to fulfill SABUY’s Ecosystem, increase synergies and fulfill 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 of 3 business pillars are as follows:

#### **Connex**

The Company has continually expanded drop-off service business to a total of 16,990 drop-off locations including entered in collaboration with CollectCo Services Sdn. Bhd. ("**CollectCo**"), which operates one of the largest parcel delivery points in Malaysia. At present, there are more than 2,000 service points covering all major cities in Malaysia. CollectCo is also a service provider of online market place players such as Lazada, Shopee and Zalora. The Company recognizes the opportunity to operate cross border e-Commerce business and fulfill “deliver conveniently” business concept in Malaysia as well as expands services of the group's "deliver conveniently” business concept to various countries in the region according to the vision of being a regional player.

Another significant change in this quarter, since September 1, the Company has deployed directors and executives to significantly engage in managing Thiensurat Public Company Limited (“**TSR**”), resulting in synergies in both sales and products amongst SABUY Group to considerably improve operating results.



## **Enterprise & Life**

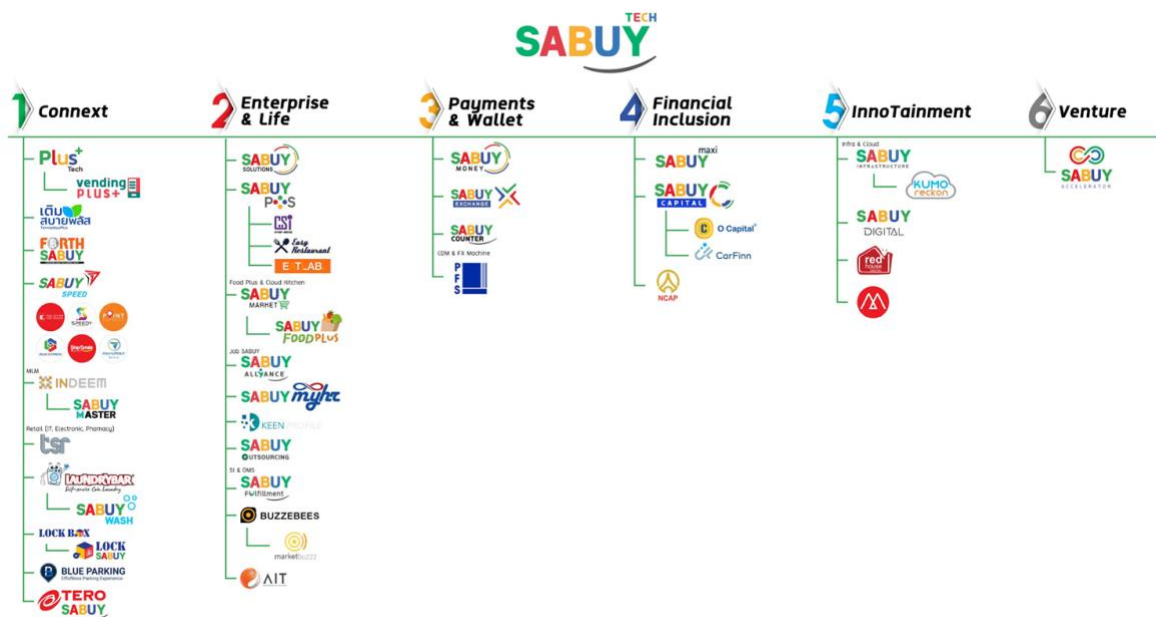
The Company is now managing iSoftel (Thailand) Group Co., Ltd. ("iSoftel") to expand into the service and development of call center systems, automatic call forwarding systems, voicemail systems, telephone information centers and comprehensive customer service centers. This will help the Company to increase efficiency and to reduce costs for contact centers such as receiving customer complaints and debt collection of the Group as well as to support the needs of call center services for future business expansion. Furthermore, the Company also manages SABUY Alliance for the service of recruiting employees and/or workers for business clients with labor and employee needs. Since inception, the Company has expanded the number of customer base as well as number of placements by utilizing SABUY's partners.

## **InnoTainment**

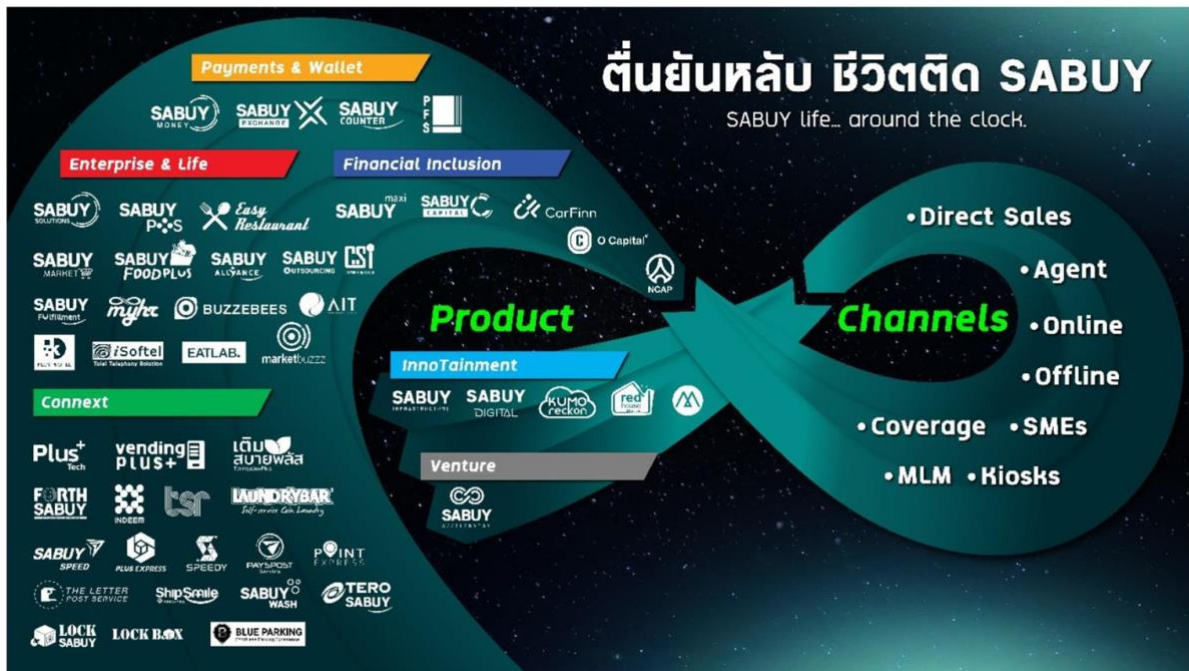
The Company has invested in media by investing in Oops Network Co., Ltd., well known as **MarketingOops**, and Red House Digital Co., Ltd., to expand the business in the marketing and digital media service business. This will be beneficial to the Ecosystem and business partners of the Company for reaching customers, creating communication channels and advertising to specific customers, creating a brand and product awareness in various customer groups appropriately. Moreover, this also enhances the efficiency of customer data management, the Company can connect customer databases into Oops Network and Redhouse system for analyzing data and customer behavior and present products and services from the Company's Ecosystem to customers effectively.

The Company's board of directors has approved an investment in AsiaSoft Corporation Public Company Limited ("AS"), which is the number one market leader online game operator on PC and mobile phone systems in Thailand and Singapore and ranked second in Malaysia and Vietnam. Currently, AS provides a total of 33 online games in Thailand, Singapore, Malaysia, Philippines, Vietnam and Indonesia. Games from AS are Free to Play and sell various items within the game which creates Micro-Transaction and customers/players will have a massive amount of repeat purchase behavior that will be linked to the payment agent business of the Company. The Company is also capable of creating a database of many customers not only within Thailand but including 5 neighboring countries mentioned above, this will allow the opportunity for the Company to expand the Ecosystem effectively.

In addition, the Company has invested in RS Public Company Limited (“RS”), which operates the business of producing content and entertainment including marketplace, has a customer data analysis system and telemarketing systems. RS main business is divided into 3 categories: commerce, entertainment, music and others. The Company sees that this cooperation will increase business partners' opportunities in the future since RS is one of the major commercial operators in Thailand including the development of “Popcoin” token, which will strengthen the level of products and services from the Company. This will help the development of SABUY Digital's Crypto Currency business to grow effectively and increase the distribution channel of the Ecosystem in the group together in the future.



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 Q3 2022

### Financial performance for the third quarter of 2022 (ending 30-Sep-2022)

	Q3'21 THB mm	Q2'22 THB mm	Q3'22 THB mm	Change Y-on-Y	Change Q-on-Q
Revenue from rendering service	427.3	426.8	488.9	14.4%	14.5%
Revenue from sales of goods	167.0	262.8	565.9	238.8%	115.3%
Revenue from Rendering of Contract and interest income from installment sales	66.8	66.3	102.5	53.5%	54.6%
<b>Total Revenue<sup>1</sup></b>	<b>661.2</b>	<b>756.0</b>	<b>1,157.3</b>	75.0%	53.1%
<b>Gross profit</b>	<b>222.7</b>	<b>214.5</b>	<b>369.7</b>	66.0%	72.4%
Total Expenses	144.3	238.7	300.9	108.5%	26.0%
Net Income from Equity Instruments	-	420.3	482.3	-	-
<b>Net profit</b>	<b>71.4</b>	<b>367.5</b>	<b>511.2</b>	616.2%	39.1%
<b>Net profit of parent</b>	<b>56.1</b>	<b>356.3</b>	<b>500.7</b>	793.3%	40.5%
Gross profit	%	33.7%	28.4%	31.9%	
Net profit	%	10.8%	48.6%	44.2%	
Earning per shares <sup>2</sup>	Baht	0.06	0.26	0.34	

- Note: 1. Total Revenue was THB 1,157.3 million excludes other revenue of THB 9.7 million and profit sharing of the joint venture and associates.
2. Calculated from no. of shares of 1,487.2 million shares as of 30 September 2022.

## Revenue

Sales and services revenue of the Company in Q3 2022 (ending 30-Sep-2022) was THB 1,157.3 million, representing an increase of THB 496.2 million or 75.0% from the same period last year and increased THB 401.3 million or 53.1% from previous quarter.

The changes that happened during Q2 2022 and continued to Q3 2022 resulted in the source of SABUY Group's revenue growing up to 10 major companies (from only 4 major companies in 2021). The notable revenue sources are from TSR (with only 1 month consolidated in Q3 2022), SABUY Alliances and iSoftel which have significant growth potential. SABUY Group expects new major companies that will increase income for the group in the upcoming future as well. The THB 401.3 million increase in revenue during Q2 and Q3 came from existing business (such as SABUY Tech, Plus Tech, Vending Plus, SABUY Solutions, SPEED, etc.) accounted for 64%, and the remaining came from new

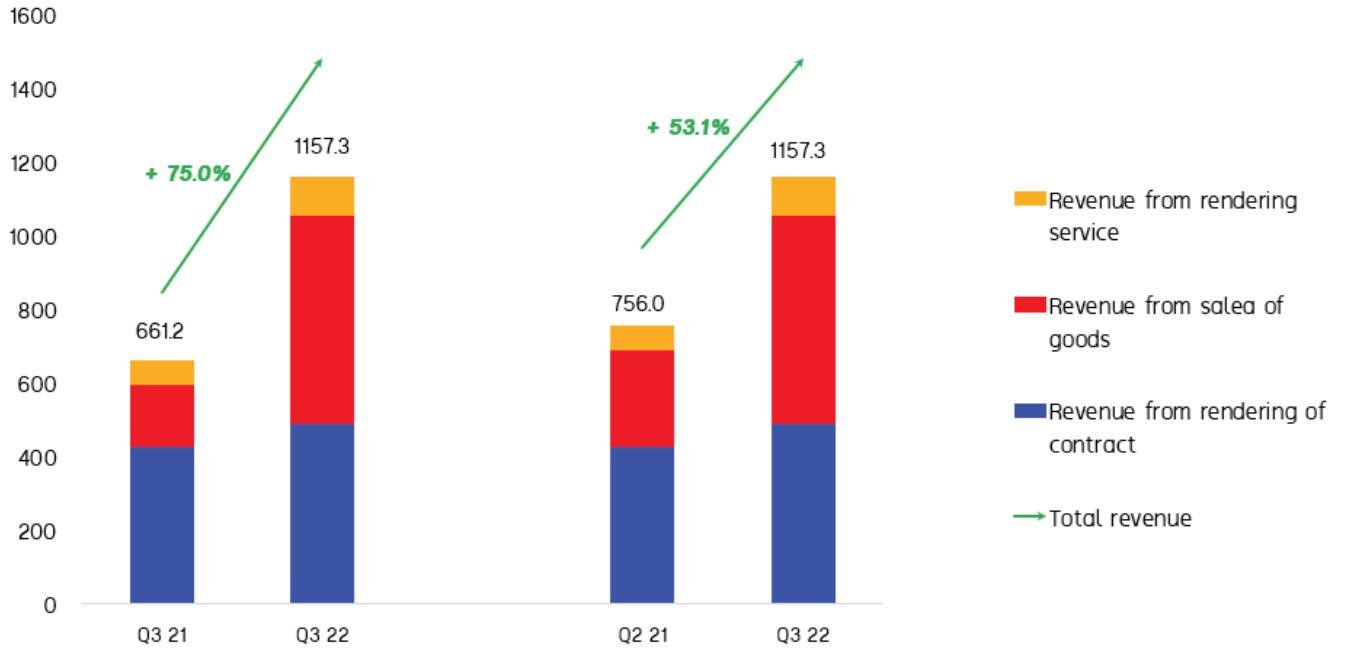


companies at which some of them have not entered the full quarter. Hence, it is clear that the SABUY group still has a very high potential for revenue growth.

The details of revenue are as follows:

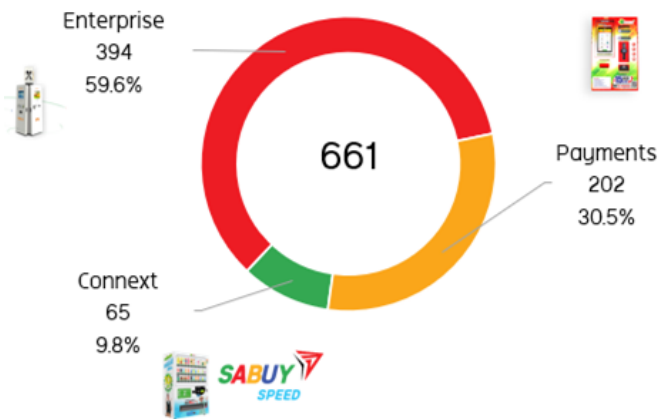
1. Revenue from rendering service for Q3 2022 was THB 488.9 million, with an increase of THB 61.6 million or 14.4% services revenue improvement from the same period last year and increased by THB 62.1 million or 14.5% from the previous quarter. This was due mainly to The Letter Post, M Point Express, Paypost which are under Drop-off business that started recognizing revenue full quarter and generate higher amounts of revenue. As of 30 September 2022, the Company had approximately 16,990 drop-off locations countrywide under SABUY SPEED management; ShipSmile, The Letter Post, M Point Express, Paypost, and Speedy Express. The Company had 13,527 branches from Q2 2022, with an increase of 3,463 branches in this quarter. Additionally, the Company recognized increased revenue from the human resource management business under SABUY Alliance , which the Company invested in Q2 2022.
2. Revenue from sales of goods for Q3 2022 was THB 565.9 million, with an increase of THB 398.9 million or 238.8% sales revenue improvement from the same period last year and increased THB 303.0 million or 115.3% 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 September 2022, the Company has sales of vending machines 6,603 machines (excluding Forth Vendings and petrol dispensers). If those machines are included, there will be 9,600 machines, up from 9,300 machines in Q2 2022, a 300-machine increase. Besides, there was also an increase in revenue recognition from sales of water purifiers and electrical appliances due to attaining management authority in TSR as well as the increase in sales of SABUY Market Plus.
3. Revenue from Rendering of Contract and interest income from installment sales for Q3 2022 was 102.5 million, representing a marginal decrease of THB 35.7 million or 53.5% from the same period last year and increased THB 36.2 million or 54.6% from previous quarter. This was due mainly to remedial programs launched in the Q3 2021 which effectively improved the debt collection in the Q3 2022 to maintain the quality of assets of top-up machines installments. In addition, the Company also recognized an increase in the revenue of interest income from lending, as well as sales of water purifiers and electrical appliances in installments from the investment in TSR in this quarter.

**Revenue**

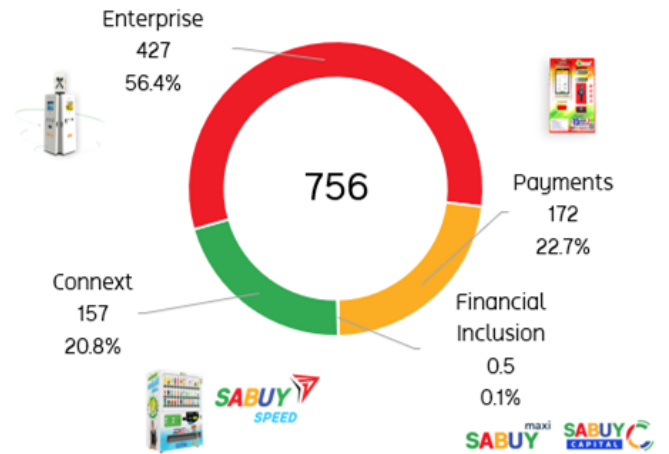


### Total Revenue (Million Baht)

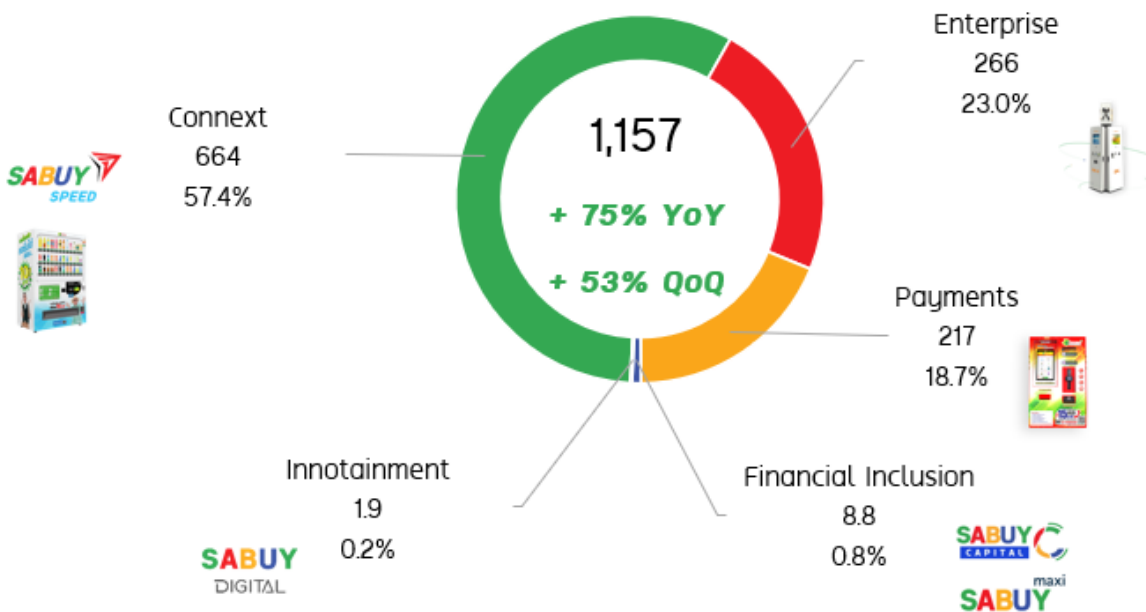
**Q3 2021**



**Q2 2022**



**Q3 2022**





## Gross profit

The consolidated gross profit for Q3 2022 (ending 30-Sep-2022) was THB 369.7 million, a THB 147.0 million or 66.0% increase from the same period last year and increased by THB 155.2 million or 72.4% from the previous quarter.

The Company's Gross Profit Margin for Q3 2022 was at 31.9%, decreased from 33.7% from the same period last year and slightly increased from 28.4% from the previous quarter.

The increase in gross profit was a result of the increased revenue recognition of the Group that can maintain and increase customer base. Moreover, the Company was able to manage costs incurred well in line with the expansion of the business group that increased in this quarter. As a result, during the past 3 quarters, the group of Companies has a gross margin of approximately 31.3%.

## Selling and Administration (SG&A) Expenses

SG&A expenses for Q3 2022 (ending 30-Sep-2022) totaled THB 300.9 million, an increase of THB 156.6 million or 108.5% from the same period last year due to the recognition of expenses from business combination, namely consolidating TSR, investing in group of SABUY SPEED , SABUY Alliance, SKV Unity Supply, and iSoftel. In addition, the Company has recognized increased expenses from building and expanding of the Company's foundation including Marketing, Financial Advisory, and Legal expense as well as cost of hiring additional executives and employees to facilitate expanding of business operations. The Company also incurred higher interest expenses from long-term and short-term loans as well as an issuance of debenture to support the business expansion.

The SG&A expenses for Q3 2022 increased by THB 62.1 million or 26.0% when compared to the previous quarter. This was mainly due to the recognition of increased expenses from business integrations, namely consolidating TSR, investing in iSoftel and recognizing increased expenses from business expansion. The details of the additional expenses are shown in the table below:

Expense Description	Amount (Million Baht)
<b>Incremental Expenses in Q3 2022</b>	
Marketing Expenses	15.0
Advisory Expenses in Group (Investment and Legal)	15.0
Expenses for Acquisitions New Business	10.0
Additional Salary for managements and staff from new businesses	20.0
ESOP and Warrant	14.0
Incremental Interest Expenses	32.0
<b>Total Incremental Expenses in Q3 2022</b>	<b>105.0</b>

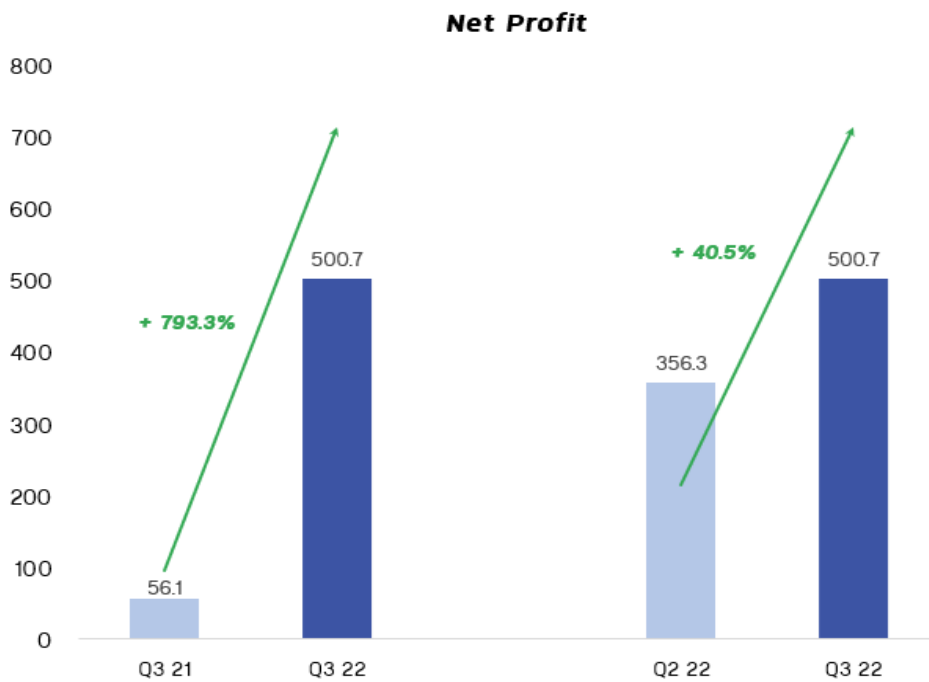
The SABUY group's expenses were tightly controlled, with only a 26.0% increase over the previous quarter, while revenues increased by 53.1%, driven by its ability to lower overhead costs in each company that joined to SABUY Group. Additionally, there is a plan for consolidated procurement via the eProcurement system, which will lower procurement costs across all companies in the Group as well.

### Net Profit

The Company's net profit for Q3 2022 (ending 30-Sep-2022) totaled THB 500.7 million, a significant increase of THB 444.6 million or 793.3% from the same period last year and a strong increase of THB 144.4 million or 40.5% from the previous quarter. This was mainly due to the recognition of investment gain in TSR (as of August 31, before consolidating with the Group) and Buzzebees.

According to the analysis of net profit, should the net profit is deducted with Investment gain of THB 445.2 million and added back with additional expenses associated with business expansion of THB 105.0 million. Net profit from normal operation will be THB 160.5million (shown below).

Description	Amount (Million Baht)
<b>Q3 2022 Net Profit in Details</b>	
Net Profit of Parent	500.7
Gain on Measurement of Investment (Net After Tax)	(445.2)
Additional Expenses in Q3 2022	105.0
<b>Net Profit after additional expenses for business operations</b>	<b>160.5</b>



## Statement of financial position at the end of 30-Sep-2022

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

Description	For the period as of					
	31 December 2021		30 September 2022		Change	
	THB mm	%	THB mm	%	THB mm	%
Total Assets	6,136.5	100.0	15,135.3	100.0	8,998.8	146.6
Total Liabilities	2,748.6	44.8	4,628.7	30.6	1,880.1	68.4
Total shareholders and equity	3,387.9	55.2	10,506.7	69.4	7,118.8	210.1
Equity of Parent	2,937.3	47.9	8,380.5	55.4	5,443.2	185.3
Current Ratio (Time)	0.90		1.18			
Debt to Equity Ratio (Time)	0.81		0.44			
Interest Bearing Debt to Equity (Time)	0.34		0.35			

### Total Assets

Total assets as of 30-Sep-2022 increased by THB 8,998.8 million or 146.6% from last year resulting from

1. Goodwill and Intangible assets increased by THB 2,205.7 million due mainly to an investment of the Company.
2. The investment increased by THB 2,753.0 million due mainly to an investment in DoubleSeven and Platt Finserve. The Company also had an equity investment increased by THB 3,228.8 million in Buzzebees, AIT, Nakhonluang Capital.

### Total Liabilities

Total liabilities as of 30-Sep-2022 increased by THB 1,880.1 million or 68.4% resulting from an increase of debenture to support the Company's investing.

### Shareholders' Equity

Shareholders' equity as of 30-Sep-2022 solidly increased more than double by THB 7,118.8 million or 210.1% due to

1. Increase of the Company's ordinary shares as a return on investments accounted for THB 4,533.4 million to TSR, AIT, DoubleSeven, Nakhonluang Capital and iSoftel.



บริษัท สมาย เทคโนโลยี จำกัด (มหาชน)  
230 ถนนบางขุนเทียน-ชายทะเล แขวงอ้อมต่า  
เขตบางขุนเทียน กรุงเทพมหานคร 10150

2. The subscription of Employee Stock Ownership Plan (ESOP1 & ESOP2) and warrants (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-Sep-2022 was increased to 1.18x, from 31-Dec-2021 at 0.90x.

### **Debt-To-Equity Ratio**

The debt-to-equity ratio as of 30-Sep-2022 is 0.44x, from 31-Dec-2021 at 0.81 resulting from the increase of the Company's ordinary shares as a return on investment, subscription of Employee Stock Ownership Plan (ESOP1 & ESOP2 and SABUY-W1) for executives or employee and existing shareholders and the changes of non-controlling interests.

### **Interest Bearing Debt to Equity**

The Interest-Bearing Debt to Equity as of 30-Sep-2022 was slightly increased to 0.35x, from 31-Dec-2021 at 0.34.

Please be informed accordingly

Your Sincerely,

Mr. Chookiat Rujanapornpajee  
Group Chief Executive Office